

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

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, June 3, 2010 at 10:00 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
Dr. Stephen Davidson	Assistant Secretary
Samuel Halley	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Doug Paton	Client Services Manager
Barry Kloptosky	Operations Manager
Grant Misterly	District Engineer
Howard McGaffney	Amenity Center Manager
Roy Deary	AMG
Ms. O'Connor	Master Association

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 10:04 a.m., and announced, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Mr. Wrathell reminded those in attendance that this is a Community Workshop and not a Regular Board Meeting; therefore, public comments will not be heard.

- **Discussion Regarding Appropriate Role of the District in the Upcoming General Election**

******This item was an addition to the Agenda.******

Mr. Wrathell indicated questions were raised regarding the appropriate role of the District and Board Members in and during the upcoming general election.

Supervisor Chiodo indicated the District received a request, from a resident to host a meet and greet event, on CDD property, for a nonresident who is running for the county commission. He noted, if the CDD sponsors the event, it is required to allow other candidates to have access. He indicated it is not a problem if an individual resident hosts or sponsors the event.

THIRD ORDER OF BUSINESS

Discussion: Master Association’s Request for CDD’s E-Blast Database (CW)

Mr. Wrathell indicated he articulated the Board’s requirements, for the release of the information, to the association. Mr. Wrathell introduced Ms. O’Connor, of the Master Association. Ms. O’Connor assured the Board that the association would be very careful with the database.

In response to a Board Member question, Ms. O’Connor indicated periodic updates to information would be at the District’s convenience.

Mr. Wrathell indicated this item would be place on the next Board of Supervisor’s agenda.

FOURTH ORDER OF BUSINESS

Discussion: Performance Objectives for Operations Manager (CW)

- **Performance Appraisal Timeframe**
- **Compensation Valuation Process**

Mr. Wrathell noted the information he is presenting was prepared by Mr. Kozak.

Mr. Wrathell presented the draft performance objectives for the operations manager and explained the goal is to develop performance objectives, the performance appraisal time frame and create the criteria for compensation adjustments. Mr. Wrathell reviewed and explained Management’s recommended performance objectives for the Operations Manager, an April 1st to March 31st annual appraisal time frame and the valuation/score levels, as they would relate to the Field/Operations Manager’s work status and compensation adjustments. Mr. Wrathell noted the evaluation would have numerical values with certain ratings requiring comment.

Supervisor Chiodo indicated the draft does not include definitions for each numerical score. He also asked what is meant by “weighted average” and if some evaluator’s scores count for more than others. Mr. Wrathell indicated each evaluator’s opinion counts equally. Mr. Chiodo clarified that it is not a “weighted average”, then. Mr. Wrathell indicated the term “weighted average” would be replaced with “average”.

Discussion ensued regarding creating descriptions and examples for each of the rating categories. The Board asked Management to develop objective descriptions for the one (1) to five (5) rankings. In response to a question, Mr. Wrathell recommended a review period of April 1, 2010 through March 31, 2011, with the reviews commencing immediately after.

Supervisor Cross suggested having a workshop to hold discussion, prior to completing the evaluation forms and giving ratings. Supervisor Chiodo voiced his concern that new Board Members may arrive in the middle of the evaluation time frame and have less experience with the Field/Operations Manager. Supervisor Chiodo questioned the new supervisors’ evaluations carrying the same weight as those Supervisors that are more familiar with the Field/Operations Manager. A Board Member felt the performance objectives are heavily subjective, in nature, and should include more measureable objectives. Discussion ensued regarding way to incorporate budgetary items, project tracking and etc., into the performance objectives. The Board discussed establishing a salary cap for the position and how a cap would be determined.

Mr. Wrathell summarized he will attempt to incorporate the items discussed in the criteria and evaluation process.

FIFTH ORDER OF BUSINESS

Discussion: Marlin Drive Pump House – Engineer’s Analysis of Mutually Beneficial CIP (GM)

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

Mr. Misterly met with Mr. Kloptosky last week to review the pump house and the work performed. Mr. Misterly indicated he needs to find out more regarding the intent of the project and how it benefits each party.

Regarding a sink hole that formed at a stormwater outfall, Mr. Misterly reported water spilling out of the outfall caused erosion around the structure which undermined it. He developed conceptual sketches of a repair and will obtain quotes from contractors. Mr. Misterly

recommended quick action, to avoid a bigger emergency. For the purposes of funding the project, Supervisor Davidson asked Mr. Misterly to determine if this is a design, structural or maintenance issue, so the Board can determine whether bond or construction fund money can be used. Mr. Misterly briefly described the suggested repair work. A Board Member discussed the possibility of applying for retroactive reimbursement for repairs, once the new stormwater ordinance goes through, and the importance of keeping accurate records.

Regarding the south entrance gate damage, Mr. Misterly indicated he has a structural engineer who can look at it. Mr. Kloptosky indicated he contacted State Farm, who is the driver's insurance company, obtained a police report and reported the information to the District's insurance company. Mr. Kloptosky indicated State Farm requested a few estimates prior to issuing a check. Mr. Misterly will proceed with obtaining the structural certification and include the costs, for which Mr. Kloptosky indicated State Farm would include in their payment.

Regarding the traffic issues on Marlin Drive, Mr. Misterly indicated Florida Statute sets the speed limit in residential areas at 30 mph, unless a traffic study is performed which demonstrates a lower speed is necessary. He indicated he spoke to the local sheriff's department and was told, as long as the District does not post an unusual speed limit, such as 23 mph, they will check and enforce the speed limit. Mr. Misterly noted, if someone were to fight a ticket, they may have grounds, as a formal traffic study was not performed to substantiate lowering the speed limit. Discussion ensued regarding the sheriff's department's previous comments on the speed limit and enforcement. Mr. Misterly indicated the District could hire someone to perform a traffic study. The Board asked him to research the cost and timeframe for completing a traffic study, along with a map illustrating his recommended locations for the speed limit signs.

Regarding Wild Oaks, Mr. Misterly reported the City of Palm Coast completed the video inspection of the pipes and found no problems with the sewer lines. He requested the tapes and will check them himself. Mr. Misterly indicated he will review the tapes and, depending on the findings, he will develop a repair plan.

******Mr. Misterly left the meeting.******

******The meeting recessed at 11:20 a.m.******

******The meeting reconvened at 11:34 a.m.******

▪ **Amenity Management Group – Service Contract Proposal**

******This item was an addition to the Agenda.******

Mr. Roy Deary discussed AMG's offer of acceptance of a two (2)-year agreement with a discount off of the one (1)-year fee. In response to the Board's request that AMG look to cut its costs even more, Mr. Deary presented a three (3)-year proposal, which offers a greater discount off the one (1)-year fee. He summarized the proposal reflects a 2½% discount for a two (2)-year contract or a 3¼% discount for a three (3)-year contract. He indicated by combining the AMG and AOM (tennis and pool maintenance) contracts, the District could save over \$50,000, over the course of the three (3)-year contract.

Mr. Deary indicated the contract includes options AMG bearing the costs for maintaining the café equipment.

In response to the Board's previous request, Mr. Deary indicated AMG is happy to open its financial records for the café available to an outside auditor.

The Board discussed whether maintenance-type items such as air conditioning, refrigeration equipment and plumbing would be covered under the contract.

Mr. Wrathell felt AMG has come back with a proposal requested by the Board and there is no need for an RFP; the actual details and specifics can be put into the agreement contract. Discussion ensued regarding whether the contract must go to an RFP, based on its value. Mr. Wrathell felt District Counsel's opinion was that renewal of the contract did not require the RFP process. Mr. Wrathell indicated this item will be on the next Agenda and District Counsel can render an opinion at the meeting.

Mr. McGaffney reported on the success of the Health & Safety Week events.

SIXTH ORDER OF BUSINESS

Update: Trial Period for League Tennis (HM)

Mr. McGaffney reported that there were no complaints or comments for, or against, the league tennis. It went as scheduled. The courts suffered no excessive wear and tear. A net gain of \$250 in fees was realized for the trial period. Mr. McGaffney's recommended opening the courts for league tennis for a maximum of three (3) nights per week, beginning at 7:00 p.m.

Mr. Wrathell apologized that the minutes for the previous meeting were not on the website and noted, for the record, that preparation of the minutes was delayed, as he had not turned the meeting file over to the Administrative Services Department for processing.

SEVENTH ORDER OF BUSINESS

Discussion: Revised FY2011 Proposed Budget (CW)

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

- **Additional Proposed Capital Budget Expenses**

Mr. Wrathell referred to Page 16, noting a change was made and there are 1,812 single-family units and the \$1,721 amount is correct. He reviewed minor changes in the special assessment, with Hampton Golf being responsible for 75% of the insurance premium for the Marlin Drive pump house. He noted the District agreed to pay the outstanding reimbursements, contingent on receiving a 75% credit of the insurance premium and Hampton Golf was agreeable. The Marlin Drive CIP amount is pending the District Engineer's final report and will be adjusted as necessary.

Mr. Wrathell explained these are assessments that will be placed on the tax bill, just like regular O&M and debt assessments.

Discussion ensued regarding other costs to which the District is entitled, such as a 15% administrative cost. Supervisor Cross suggested adding a 15% administrative cost to the Marlin Drive pump house and parking lot expenditures. The Board discussed equitable division of the costs. Mr. Wrathell confirmed his understanding of the Board's desire to bill Hampton Golf 50% of the \$66 monthly parking lot expense and the addition of 15% admin expense/fee across the board, to all of the Hampton Golf items.

Mr. Wrathell directed the Board to Page 1 of the proposed budget and explained the new projected Supervisors' fee expenditures for regular meetings and workshops. Discussion ensued regarding revenues and Mr. Wrathell indicated the Gate & Amenity Guest line item could be increased to \$6,000 and the Amenity Facility Rentals and Fees line item could be reduced to \$7,600. Supervisor Cross asked why the Tax Collector's 2% fee is not reflected under revenues, like the 4% discount. Mr. Wrathell indicated accounting prefers to have it listed as an expense, rather than netting it in the revenue section. Mr. Wrathell explained the difference between the 4% discount and the Tax Collector's 2% expense. Discussion ensued regarding the revenue offset discount payment line item. Mr. Wrathell voiced his opposition to including that particular line item and his reasons but noted it can be included, if the Board directs Management to do so. Mr. Wrathell indicated the problem is that it essentially creates a revenue item that would never be booked. Mr. Wrathell suggested applying some of the District's reserves to

offset the assessment discount payments. Discussion continued on how to account for the revenue offset related to assessment discounts.

It was noted the District is looking at increasing assessments by \$101. Supervisor Cross asked what can be done to increase revenues, rather than decreasing costs or increasing assessments. He voiced his discomfort with the Reuse Water line item and wondered if it is not being read or billed the same; he felt it needs to be reviewed to see what is missing to cause the extreme drop-off in revenue. Supervisor Davidson noted usage depends on the weather and the highest use is in the summer, so there should be an increase in the coming months. Mr. Wrathell indicated the amount can be adjusted upwards, closer to budget adoption time, should the summer months show an increase. Mr. Wrathell outlined the remaining projected revenues and expenditures.

Supervisor Davidson reviewed and the Board discussed Ms. Leister's landscape project and cost projections for the remainder of this fiscal year and the next fiscal year. A final version of the landscape contract, as revised by Ms. Leister, is pending.

The Board discussed reducing the Horticultural Consultant line item to \$6,000, allocating \$500 for CERT Operations and deletion of the aerators on the reuse pond, point of sale service agreement and filters on three (3) reuse irrigation lines line items.

Mr. Wrathell opened the floor to discussion of health insurance for employees and mileage reimbursement for the Maintenance Worker I position. The Board discussed the Maintenance Worker I position. Several Board Members voiced their concern in moving the position from part-time at 34.75 hours per week to full-time, because the full-time position requires providing benefits such as paid vacation, holidays and other incidental benefits. In response to the question of health insurance, Mr. Wrathell indicated most Districts that have their own employees, provide health insurance. Discussion ensued regarding whether the District could selectively offer health insurance to various employees. Considering paid vacation and holidays, the Board questioned any actual increase in worked hours or productivity, should the Maintenance Worker I position be moved to full-time. The Board asked Mr. Wrathell to prepare and present an analysis to determine the costs and whether there are any real benefits to moving the position to full-time. Supervisor Trautwein stressed the human factor and reminded the Board that a happy employee will feel more valued and is more productive. Supervisor Trautwein voiced his support of the District trying to retain quality employees.

Supervisor Chiodo indicated he does not oppose a \$50 increase in assessments. Mr. Wrathell indicated he would run the budget with a \$50 increase in mind and bring it to the next meeting so the Board can see how much cash the District would need to show in reserves, to offset the lower increase.

******Supervisor Chiodo left the meeting.******

Supervisor Davidson asked if a performance evaluation for the Field/Operations Manager will be completed for the previous year or will it be addressed going forward. Mr. Wrathell confirmed the last evaluation was for the period ending September 30, 2009. Mr. Wrathell suggested, since the annual evaluation period is being reset for April 1st through March 31st, the Field/Operations Manager's next evaluation could encompass October 1, 2009 through March 31st, 2011, in order to account for the missing months.

Mr. Wrathell suggested creating a 5-year CIP expense line item under capital improvements to break it out over the years and this item could be an exhibit to the budget.

The Board discussed the scope and/or need for the new administrative assistant position.

SEVENTH ORDER OF BUSINESS

Update: Hazard Assessment Program (CH)

This item was deferred.

NINTH ORDER OF BUSINESS

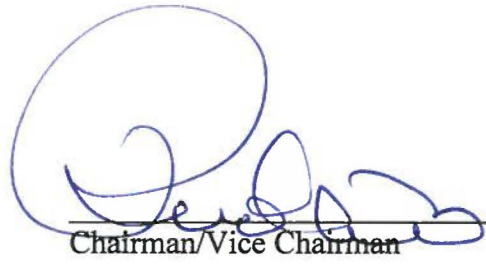
Adjournment

There being no further business, the workshop adjourned at 2:05 p.m.

On MOTION by Supervisor Chiodo and seconded by Supervisor Davidson, with all in favor, the workshop adjourned at 2:05 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman