

**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, July 1, 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	Wrathell, Hunt & Associates, LLC
Barry Kloptosky	Operations Manager
Howard McGaffney	Amenity Center Manager
David Cottrell	Aquatic Systems, Inc.
Gary Noble	Resident
Vic Natiello	Resident
Tom Lawrence	Resident
Al Lo Monaco	Resident
Annemarie Schutz	Resident
Sandy Trautwein	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 10:05 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.

THIRD ORDER OF BUSINESS**Discussion: Revisions to Austin Outdoor Agreement As Recommended by Horticultural Consultant (MK)**

Supervisor Davidson reported on the changes to the Landscape Maintenance Services Agreement recommended to him by the Horticultural Consultant. Supervisor Halley requested splitting out the croquet courts as a separate bid. Supervisor Davidson will coordinate with Ms. Leister as to how she would create a separate or subcontract. Supervisor Cross requested that the respondents also provide a separate bid for The Crossings. Discussion ensued regarding breaking up the new contract and the ability to make meaningful comparisons in the costs between the current contract and the new contract, since the current contract is not broken out. It was suggested that the respondents provide a bid for the entire contract, as well as a separate bid for the croquet court, The Crossings and the balance of the CDD work.

Supervisor Davidson reported that the CDD received a \$1,000 credit from the landscaper for not having to do work on the current landscaping while it was under reconstruction. He suggested making the corrections he discussed and having Ms. Leister attend the next meeting to make her horticultural recommendations regarding splitting the landscaping contract. Supervisor Cross addressed a change to the contract regarding the height for trees adjacent to a road, as well as an addition to Page 14. Supervisor Cross questioned the number of fertilizations under turf grass. Supervisor Davidson will follow up with Ms. Leister regarding this, as well as the number of mowings for the soccer field and volleyball court.

Supervisor Davidson noted a problem on pond 14 and referred to several pictures, indicating the color of the pond is brown-yellow. He then referred to Pond 19, which is Hidden Lake, noting it has thick algae mats across 80% of it. Mr. Cottrell, of Aquatic Service Systems, explained that Pond 19 was one of the case study ponds and, until May 1st, it was not on a treatment protocol. Mr. Cottrell advised, since May 1st, this lake was treated six (6) times and explained the strategy and herbicides used. Mr. Cottrell discussed the underlying problems with the lake, noting it is extremely shallow. Discussion ensued regarding the lake depth and whether it was excavated to the as-built drawing. Supervisor Davidson discussed his recommendation for providing an immediate solution, noting the cost would be \$2,000. Mr. Wrathell indicated the Board has the ability to approve moving forward with the procedure today. Supervisor Trautwein suggested contacting the Master Homeowners Association to ask them to advise the

residents living around the lake of the severity of the situation and have them take out some of the sod.

Supervisor Davidson then referred to Pond 14. Mr. Cottrell advised it is full of brown plankton algae. Supervisor Davidson indicated that it is starting to cross over the road to Pond 13. Mr. Cottrell explained why this was occurring and advised the algae is being treated.

Discussion returned to the Landscape Maintenance Agreement. With regard to the exhibits, Supervisor Cross pointed out that the tree counts for the different types of palm trees should be added, noting they have to be updated and accurate. Supervisor Chiodo suggested making that Exhibit #2.

FOURTH ORDER OF BUSINESS

Update: Solar Engineer (BK)

Mr. Kloptosky reported he had not received a final report. He indicated he received an email from Mr. Healy advising he had not finalized the report yet because he was behind due to his illness, but he will get back to Mr. Kloptosky once he is caught up. He did not give Mr. Kloptosky a date.

FIFTH ORDER OF BUSINESS

Update: Sidewalk Erosion

******This item, previously the Sixth Order of Business, was discussed out of order.******

Mr. Kloptosky reported the District Engineer has a proposed "fix" for the erosion behind the clubhouse; however, he is not in agreement with his recommendation and explained the reasons. Mr. Kloptosky referred to the irrigation eroding the sides of the sidewalk. He said he was advised by Austin that the irrigation, adjacent to both sides of the sidewalk, is owned and maintained by Hampton Golf and he questioned why they are not taking responsibility. Supervisor Cross proposed that Mr. Clark send a letter to Hampton Golf, advising that their property has created a safety risk and, because of the concern for residents, they are being given 30 days to repair it. If it is not repaired, the CDD will have it repaired, at their expense, and render an invoice and Hampton Golf will have 30 days to pay it. If the invoice is not paid in 30 days, the CDD will place a lien. Supervisor Chiodo stated the District should continue to get an estimate/bid of the cost to fix the sidewalk properly and be ready, once the 30 days is up, to take some action. Mr. Kloptosky showed the Board the proposed "fix" from the District Engineer

and discussed his concerns. Supervisor Chiodo suggested asking Mr. Misterly to describe the fix he is recommending and discuss the questions Mr. Kloptosky raised. Mr. Kloptosky advised he will also meet with a site and infrastructure contractor, on site, to get his thoughts.

Supervisor Cross stated, in the easement agreement, it states that the CDD must carry liability insurance and they do not have it. He advised the District Manager that he needs to obtain coverage.

Supervisor Davidson suggested that, in the future, the Field Operations Manager should find contractors on some of the issues, have the contractor write out a proposal, which Mr. Kloptosky will review, and forward to the District Engineer to save money and time. Supervisor Chiodo suggested using this as a test case.

SIXTH ORDER OF BUSINESS

Update: Café Upgrades

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

Mr. McGaffney reported he met with Mr. Kloptosky, Mr. Deary and Ms. Leandro and they proposed the color scheme for the furniture. He is attempting to get a lower price, which he should have today and tomorrow. He further advised that the electrician removed the light to get it ready for the projector and also provided a quote to install the ceiling fans.

▪ **Discussion of Assault that Occurred in Grand Haven**

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

Mr. McGaffney reported on an incident that occurred on Tuesday evening involving the 16-year-old grandson of a resident, who was assaulted on the basketball court around 8:15 p.m. Mr. McGaffney explained the details of the assault and advised that the assailants were caught by the police outside the gate and a BB gun was found in the vehicle. The grandson suffered a broken nose.

Mr. McGaffney reported that his employees are being met with aggression. He also spoke of possible drug activity and finding smashed beer bottles and cans all over. Mr. Kloptosky indicated he and Mr. McGaffney are trying to get the sheriff's department to patrol and possibly set up some sort of sting for suspected drug activity. It was determined that a Grand Haven resident allowed the two (2) individuals, that were arrested, to come in to the community under a 30-day pass. Mr. Kloptosky expressed his concern that the son of the

resident is the same person he had an incident with in the parking lot of Creekside the week before.

Discussion ensued regarding increasing the security for the parking lots and hiring part-time police officers. Supervisor Chiodo suggested having this as a discussion item at the Regular Board Meeting and having all of the pertinent facts presented, as well as the police report, and considering what actions need to be taken. Supervisor Trautwein suggested getting Mr. Clark involved to determine if the District has any liability. Supervisor Chiodo indicated his desire to contact the boy's grandfather, as Chairman, to express the Board's concern that this occurred. The Board agreed. Mr. Kloptosky clarified that two (2) trespass orders were issued against both individuals that were arrested. Supervisor Halley expressed his hope that Supervisor Chiodo would encourage the resident to prosecute.

*****The meeting recessed at 11:48 a.m.*****

*****The meeting reconvened at 12:00 p.m.*****

SEVENTH ORDER OF BUSINESS

Update: Letter to Mayor Netts Regarding Proposed Stormwater Utility Ordinance (DC)

Supervisor Cross advised that, at Supervisor Trautwein's suggestion, he contacted Councilman Frank Meeker to ask how involved the council has been. The answer he received was none. He reported on a meeting he attended on Tuesday with Lee Stoker's Preferred Management Group and advised they sent a letter to the city saying they will no longer pay the stormwater fee. They are now requesting a meeting with the city manager. He further advised he is going to attend a Stormwater Utility Advisory Committee Meeting at city hall today to try to get on the agenda and tell them to make their recommendations. Lastly, he discussed creating a "test case" with Mr. Kloptosky and sending it to the city engineer, requesting that he fix it. The Board concurred with this strategy.

EIGHTH ORDER OF BUSINESS

Continued Discussion: Field/Operations Manager Performance Evaluation (MK)

- **Memorandum**
- **Compensation Evaluation Process**

- **Additional Performance Evaluation Objectives**
- **Total Expenditure to District**

Mr. Kozak explained the 'Field/Operations Manager Total Expenditure to District'. He indicated he developed a list of the districts in Flagler County and is trying to determine which have field operations managers and their salaries. He referred to the Additional Performance Evaluation Objectives, which were sent to him by Supervisor Halley. Supervisor Halley explained these objectives. Mr. Wrathell referred to prior discussions regarding annual cost savings. He stressed the importance of having the Field/Operations Manager assist in putting together an accurate budget, as well as ensuring that when projects are bid out, they are designed in the most cost efficient fashion, without cutting corners. Discussion ensued regarding ways to cut labor costs and reduce the budget, as well as the aging infrastructure as it relates to the assessments and budget. Mr. Wrathell and Supervisor Trautwein questioned the performance evaluation objective of improving efficiency by 15%.

Mr. Wrathell discussed the bulleted performance objectives in Mr. Kozak's memorandum. Supervisor Halley discussed the increase in labor. Supervisor Davidson pointed out that the size of the community has increased and the infrastructure is deteriorating so there are many service issues. Further discussion ensued regarding the Field/Operations Manager's objective to come up with ideas for cost savings, the increase in costs and the Board's responsibility to pay for the District's upkeep, as well as the necessity of potentially increasing fees to cover the increase in costs. Mr. Wrathell pointed out that the budgeted expenses for 2010 did not include budgeting money for culvert replacement sinkholes of \$75,000 and if they remove that \$75,000 in the 2011 budget, the budgeted expenses for Fiscal Year 2011 are actually lower than those for Fiscal Year 2010.

Mr. Kozak distributed and explained a scenario timeline for the Field/Operations Manager, as well as the performance evaluation compensation process, which listed the average scores and results within various salary ranges. He noted the yearly CPI adjustments should be capped at 5%. Mr. Wrathell stated the idea is to keep the salary in check but to still have the ability to award an employee for outstanding performance. Supervisor Cross discussed a bonus system for performance if the individual's salary is at the top of the range. Supervisor Davidson inquired about Florida Municipal Insurance and requested that the District Manager do more research on this coverage. Mr. Wrathell will obtain more information for the Board.

Supervisor Davidson indicated he feels the Field/Operations Manager is spending too much time in the customer service role and communicating with the Board, Staff and residents. He suggested hiring an administrative assistant to handle public relations and that they expedite advertising, conduct interviews and set a salary for this position so that the Field/Operations Manager can get back into the field. Mr. Wrathell advised the Board that Mr. Kloptosky is going through the hiring process and the position has been budgeted for up to \$20 per hour, 20 hours per week.

NINTH ORDER OF BUSINESS**Continued Discussion: Analysis of
Maintenance Worker Part-Time/Full-
Time (MK)**

Mr. Kozak discussed the analysis and indicated that the numbers under the "Annual Income" column include FICA. Mr. Wrathell pointed out by bringing Mr. Theodus from part-time to full-time, they will pay him for 1,920 hours; however, after deducting the vacation and holiday time, they will be adding 113 hours of actual work hours and raising the effective rate from \$15.07 to \$16.33 per hour. Supervisor Cross indicated he was against having a full-time employee. Mr. Kloptosky stressed that they do not have enough staff members to address what needs to be done in the community, which is why he asked that the maintenance worker be moved to full-time, in an effort to perform all services efficiently, without having to hire contractors. Discussion ensued regarding the advantages of having a full-time person, taking into account the "human factor", versus hiring a part-time person and potentially having to deal with a lack of commitment and turnover. Mr. Kloptosky expressed his preference to maintain his current staff and noted Mr. Theodus has been requesting to go to full-time. Supervisor Cross inquired about the number of hours he is currently working and where that number came from. Mr. Wrathell advised he will discuss this with Mr. Clark. Supervisor Cross suggested that the number of hours Mr. Theodus works should be based on work load. Discussion ensued regarding Mr. Finnimore's responsibilities.

Mr. Kloptosky reported on an infrastructure deficiency issue with the streetlights throughout the entire community. He advised they are underground wiring failures that are difficult to locate, find and repair, which lead him to question the line item amount in the budget for streetlight maintenance.

Supervisor Davidson asked if the hiring of an administrative assistant will allow Mr. Finnimore to go back into the field and get more work done there. Mr. Kloptosky explained he is hoping to have Mr. Finnimore do the groundwork with his notes and have the administrative assistant take those notes and generate the spreadsheets. Supervisor Chiodo suggested increasing Mr. Theodus' hours to 39, for the time being, and having Mr. Wrathell investigate, more fully, the potential problems of working a part-time employee closer to 40 hours than he is currently working, if the CDD is at risk and at what level, and then having the Board make a determination.

TENTH ORDER OF BUSINESS**Discussion: Revised FY2011 Proposed Budget (CW)**

Supervisor Cross discussed last year's budget and a situation involving abandonment by LandMar/Crescent in Wild Oaks. He indicated \$15 of the \$30 increase was attributable to the increase in maintenance and water costs and that several of the residents questioned why they were being assessed for property they did not own. He noted that \$36 of the increase will be attributable to the legal costs for the same situation this year due to the bankruptcy and he expressed his concern over the public reaction. Supervisor Davidson questioned what their responsibility will be to the Villages they have not taken over, or taken ownership of, once LandMar leaves entirely. Supervisor Cross referred to a section of the Crescent Resources bankruptcy case relating to assessments or installments and indicated the Board needs to get an interpretation from Mr. Clark. Discussion ensued regarding acceptance of the improvements still owned by LandMar or Crescent Resources. Supervisor Cross stated one of their acceptance criteria is an affidavit stating there are no liens.

Mr. Wrathell discussed the differences between the budget in the Agenda package and the one he distributed today, noting that the adjustment in the Hampton Golf assessment has been addressed, the addition of a zero for the health insurance component and the restructured presentation of fund balance. He then pointed out that the application of fund balance now matches the assessment increase of \$50, from last year. He further indicated he would like to include Mr. Kloptosky's list of additional capital items and the Engineer's 5-year CIP as exhibits to the budget and that he would like to begin tracking those particular items. Further conversation ensued regarding additional budget changes.

Supervisor Chiodo inquired about the fund balance – ending, on Page 4. Mr. Wrathell gave a brief explanation and advised the numbers will be more accurate once they are closer to September 30th.

Supervisor Davidson explained his handout relating to the \$165,000 line item for next year for landscaping investment and how it relates to Ms. Leister’s spreadsheet. Discussion ensued regarding the landscaping project in the circle islands. Supervisor Cross discussed the protected and unprotected reserves and explained the itemization of the \$1 million protected reserve. He pointed out the additional \$300,000 that was designated and questioned why they were spending the reserve. Supervisor Davidson referred back to the landscaping and the horticultural priorities and further discussion took place regarding what had been approved. The Board agreed to wait to do the circle islands project until the next fiscal year.

With regard to the reserve issue, Mr. Wrathell stated they would be deficient if they only budget \$500,000 in reserves, since much of the landscape rejuvenation program will hit early in the fiscal year. He noted it would be wiser to have the three (3)-month operating capital be equivalent to 3/12 of the budget. Supervisor Cross stated they should be using the terminology “protected reserves”. Mr. Wrathell discussed the changes to the definition of reserves by GASB 54. Discussion ensued regarding classification of the reserves in the proposed budget.

ELEVENTH ORDER OF BUSINESS

Continued Discussion: Marlin Drive Pump House (GM)

This item was deferred.

TWELFTH ORDER OF BUSINESS

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

This item was deferred.

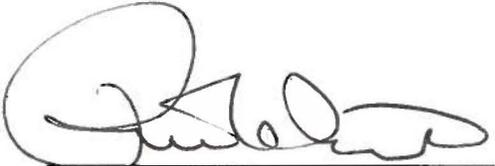
THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Supervisor Trautwein and seconded by Supervisor Cross, with all in favor, the workshop adjourned at 2:14 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman