

**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, June 16, 2011 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:

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| Dr. Stephen Davidson | Chair |
| Peter Chiodo | Vice Chair |
| Tom Lawrence | Assistant Secretary |
| Marie Gaeta | Assistant Secretary |
| John F. Pollinger | Assistant Secretary |

Also present were:

| | |
|-----------------------|----------------------------------|
| Craig Wrathell | District Manager |
| Matt Kozak | Wrathell, Hunt & Associates, LLC |
| Scott Clark | General Counsel |
| Grant Misterly | District Engineer |
| Howard McGaffney | Amenity Management Services |
| Robert Hopkins | Resident |
| Deborah Laury | Resident |
| Glenn Laury | Resident |
| Linda Rolla | Resident |
| Ron Conklin | Resident |
| John and Linda Demkar | Residents |
| Jim Pagano | Resident |
| Ron Merlo | Resident |
| Jean _____ | Resident |
| Mia Marchio | Resident |
| Roy Search | Resident |

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 9:34 a.m., and indicated, for the record, that Supervisors Davidson, Chiodo, Lawrence, Gaeta and Pollinger were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

**AUDIENCE/RESIDENT RESPONSE,
REPORT & COMMENTS (3-Minute
Rule; Non-Agenda Items)**

Mr. Robert Hopkins, a resident, suggested the Board consider sending an email blast for the meeting with the city council. Supervisor Davidson stated they will discuss this item later in the agenda.

Mr. Ron Conklin, a resident, thanked the Board for providing the equipment for pickleball. He stated play is on Tuesday, Thursday and Saturday and invited the Board to play. Supervisor Davidson recommended adding the play to AMG’s monthly agenda.

Mr. Roy Search, a resident, read a letter from his wife and himself into the record.

“A couple weeks ago my wife discovered that your Board was considering a major expenditure. (\$60,000, plus a new annual maintenance cost of \$15,000 plus) After an email blast and conversations at the golf course, gym, cocktail parties, etc, we talked to more than 200 people and not one person thought the project should be approved. In fact, the opinion was: the Board should study the future infrastructure repair projects that need to be done and earmark the Reserve money to prevent a Board that might have a special interest majority from depleting our Reserve accounts on special interest projects. Furthermore, it was also the general opinion that any discretionary spending over \$25,000 should be placed on the election ballots and approved by the majority of the owners. This money belongs to the 1,900 home owners and should be spent for the betterment of all the people and not any special interest group. I am providing a copy of my wife’s letter and a copy of my opinions to be filed with the minutes of the meeting.”

Ms. Deborah Laury provided a statement to the Board.

“Mr. Chairman, I rise on a point of order to express my grave concern in connection with an e-mail that was authored by Supervisor Gaeta and sent by one of her colleagues to a wide sector of the Grand Haven Community. The ‘facts’

that Ms. Gaeta purported to convey in her 'call to action' email were both incomplete and inaccurate. But, more regrettably, she also engaged in a personal attack and a character assassination on one of our neighbors. In so doing, Ms. Gaeta subordinated her duties and responsibilities, as an office holder in this community, to her personal prejudices and biases. That cannot be allowed to stand. What Ms. Gaeta endeavored to do in connection with her Sunday, June 11th email was both reprehensible and unethical. At the very least, I would hope that this Board of Supervisors would vote to severely censure Ms. Gaeta for behavior totally outside of any ethical standards of the office she holds. In addition, I would hope that Ms. Gaeta would be directed to send personal letters of apology for her totally regrettable conduct, via either conventional mail, and/or email to each and every resident owner in this community. If Ms. Gaeta expects to regain any degree of respect and confidence, as she continues in the supervisory office she holds, she should be held accountable for her total lack of judgment and decorum. Frankly, Mr. Chairman, I have grave doubts at this point concerning whether Ms. Gaeta is fit to occupy the elective position in which she currently sits. If she is to continue, however, I would respectfully suggest she should be held accountable for her unethical conduct, she should be directed to formally apologize to each and every one of us and she should be directed to solemnly promise to never again engage in any such regrettable conduct. Mr. Chairman, I am pleased to hand you a hard copy of the remarks I have just presented at this meeting. I would respectfully request, in that connection, that the minutes of this meeting would contain a verbatim copy of what I have just presented to you and to my fellow resident owners here in Grand Haven. I sincerely thank you for the opportunity to speak.

Respectively Submitted,

Deborah B. Laury"

Supervisor Davidson stated the email was received from another individual. Ms. Laury stated Ms. Gaeta is referenced in the email. Supervisor Gaeta stated that she did not author the email and the email was forwarded on her private email account. Supervisor Davidson stated the item will be discussed later in the meeting.

Mr. Jim Pagano, a resident, noted all residents do not participate in the community amenities and noted the croquet courts are being heavily used.

Ms. Mia Marchio, a resident, discussed the drainage issues at 29 Sailfish Drive and the associated driving hazards, mosquito problems and safety hazards. She believed the drain at the end of Waterside Parkway was inadequate and submitted corresponding letters and photographs. Supervisor Davidson stated the Board is aware of the issue and the correction will require the regrading the street. Mr. Kloptosky recalled prior discussion on the drainage issues and the Board decided to include the work as part of the CIP, under pavement issues. Ms. Marchio noted the significance of the situation and recalled discussions in December with Mr. Lawrence. Supervisor Lawrence noted there is not an open flow drain and believed it should be a priority in 2012.

Mr. Wrathell read a letter from Mr. and Mrs. Bob and Kay Borer:

“Dear Mr. Wrathell,

It has come to our attention that the Croquet Club has requested new or re-worked regulation croquet courts to be located at the Creekside Amenity Center. It is our concern that this will become a cost prohibitive undertaking and one ill advised at this time or in the near future. We believe it is important to meet the needs of the residents of Grand Haven and we believe those needs have been met by having a practice court and a regulation court already in use. The relocation of the regulation court to the now existing soccer field will result in the need for lighting and security cameras to keep it from being used for other purposes after dark. Parking will likely not be sufficient if more play is encouraged which will result in a large expense for additional parking. Additional croquet courts are unnecessary. There are, and will be, projects important to all of Grand Haven that will need attention and funding. More croquet courts are not in this category. Please furnish a copy of this letter to each Board member.

Sincerely,

Kay and Bob Borer”

FOURTH ORDER OF BUSINESS**DISTRICT ENGINEER'S REPORT**

- **Construction Status Update**
- **Outfalls for Cline to Revisit**
- **Project C – Additional Outfalls**

Mr. Misterly discussed the status of the outfall projects and that erosion is still occurring. He believed the cause to be the filter fabric under the riprap and recommended revisiting the completed outfalls. Mr. Misterly stated he has been working with Cline Construction and vendors to develop a way to correct the erosion. He stated he has samples of different fabrics from the geotextile suppliers and compared them to a completely impermeable, HDPE plastic liner. He believed the best solution was an impermeable liner, which was ordered by Cline. Mr. Kloptosky confirmed it was received yesterday.

Mr. Misterly stated he reviewed the existing conditions of the outfalls and will work with Cline to address the highest priority outfalls first. He stated ATM will absorb the cost for the work. Supervisor Davidson asked if they will cover costs for sod replacement. Mr. Misterly recognized the possible need for sod replacement and the need for minimal replacement. He noted the original design called for the removal of the concrete mitered end section apron and, typically, after repairs, sod would be placed to stabilize the bank and prevent erosion; however, CDD rules do not allow sod past a certain level on the bank. He anticipated the use of a temporary erosion control measure to help prevent further erosion.

Mr. Kloptosky presented photos of erosion at an outfall, as a typical example of erosion that Mr. Misterly was discussing. Mr. Kloptosky recommended the Board consider addressing the issue, as there is a severe issue on the sides of the outfall. He stated sod cannot be installed due to HOA requirements and believed the erosion will occur around the outfalls that are not stabilized. Mr. Misterly stated he reviewed the mitered end sections and stated he will work with Cline to address the erosion.

Mr. Kloptosky recalled a conversation with Cline and stated the repair work will be billed under a separate invoice number. Discussion followed on the cost of repairs for the additional work related to the outfall repairs. Supervisor Pollinger stated all of the outfalls that were completed with the filter fabric must be redone. Mr. Misterly stated consideration will be given to paying for repairs on all completed outfalls; however, he could not answer on behalf of the company. Supervisor Pollinger asked if sod would be an adequate stabilization approach. Mr.

Misterly noted sod is typically used and provides protection. Supervisor Lawrence noted the major issue is on CDD property and, if the answer is sod, then the District needs to work with the homeowner's association. Supervisor Chiodo noted the need for an alternative solution to the use of sod. Supervisor Davidson noted the problem areas would normally be underwater and that many homeowners removed the spartina, thereby, and violating their CC&Rs.

Supervisor Pollinger recalled the original design issues and the repair plans. Mr. Misterly recalled the belief that the outfalls were not constructed the way the engineer originally designed them. He explained the concrete was constructed without rebar and with no support wall. The contractor poured the footing with rebar and a wall for downstream erosion protection. Supervisor Pollinger asked if the downstream erosion is being protected to its entirety. Mr. Misterly replied no and that he discussed the erosion issues today.

Discussion followed on the completed repairs. Supervisor Chiodo recommended that the additional erosion, occurring on either side of the coquina boulders, be considered before proceeding with the work on the outfalls, as we do not know what is going to be required to fix the additional erosion. Supervisor Chiodo believed the District Engineer fixed the problem that originally caused the erosion issue, as the footing was not constructed properly; however, the repair is not correcting the entire issue.

Discussion followed on how to address erosion on the banks. Supervisor Davidson recommended using sod and an alternative, to see what is successful. He noted the need to maintain the sod and that spartina is effective but the residents removed it.

Supervisor Chiodo requested obtaining a recommendation, as quickly as possible.

Mr. Kloptosky discussed the methods of attachments for the repairs and noted the weight of the coquina can cause the material to pull the fabric out from the structure. He noted the aluminum strip at the top of the liner, where it attaches to the concrete, and asked if it was sufficient to secure it from water seepage.

Mr. Misterly replied affirmatively and discussed the attachment method and the need to address the side erosion issue.

Mr. Kloptosky noted a lot in Eastlake, owned by a builder, was used as a staging area for the construction. The builder is trying to sell the lot and would like to put the lot back to normal. He stated the area needs to be repaired so the lot can be cleared.

FIFTH ORDER OF BUSINESS

CONSULTANTS, GUEST REPORTS & PRESENTATIONS

- **Report/Presentation: Tennis Court Lighting (*Brian Bullock, BAB Tennis*)**

Mr. McGaffney stated this will be discussed when the bids are received.

SIXTH ORDER OF BUSINESS

STAFF REPORTS

A. Amenity Manager's Report

Mr. Wrathell stated AMG provided the P&L report for the restaurant and did not find anything in the general ledger that he deemed to be of concern.

Mr. McGaffney stated he is working with Mr. Kloptosky to get the quotes, bids and scope for regrading and landscaping at the tennis courts. He stated there are two (2) bids for the resurfacing and two (2) bids for the drainage. Supervisor Davidson clarified that the bids from Cline are for the concrete apron and BAB's is for the resurfacing. Mr. Kloptosky believed BAB is going to bid on interior drains and Cline will bid for the exterior drains. He stated he is meeting with BAB tomorrow.

Supervisor Pollinger asked if there is a fee if a Village wanted to have a gathering of its members at the Creekside Room and the back porch. Mr. McGaffney stated the Amenity Center cannot be rented but the fenced area of the tiki bar and pool can be rented. He stated, in the past, people who wanted to have a function came before the Board for approval. Supervisor Chiodo noted the requests can be brought before the Board or the rules can be changed. Supervisor Davidson recommended keeping the requests before the Board. Mr. McGaffney confirmed the requests are infrequent but noted the issue if an event is requested prior to the next Board Meeting. He stated he can approach the Chair for approval. The Board was in agreement.

Supervisor Pollinger noted concern for nonresidents using the Creekside pool and requested that the facilitator monitors all activity. Mr. McGaffney noted there are issues every summer and discussed specific situations of nonresidents using the facility. He recommended changing the facilitator's duties to focus on the area during the noon to three (3) o'clock time frame, during the summer. Supervisor Gaeta asked if there was any success in getting non residents to pay the guest fee. Mr. McGaffney stated when he catches people, they usually leave but there are people that do follow the policy. Discussion followed on the use of trespassing

charges. Supervisor Pollinger recommended warning nonresidents that if they return, the sheriff's office will be contacted.

Discussion followed on keeping track of the nonresidents in the facility.

Mr. Robert Hopkins discussed the use of the facility. Mr. McGaffney clarified that the Villages, in accordance with the Board-approved policy, are allowed to hold meetings in the Village Center twice a year, at no cost.

Mr. Kloptosky recalled the Board's request to review the drain cover recall. He stated he contacted Mr. Mark Duda. Mr. McGaffney stated the Board took the appropriate steps by going through an engineer certified process. The pool grates were not affected and there is a different manufacturer.

B. Operations/Field Manager

Mr. Kloptosky reported the insurance claim, for the Creekside Fitness Center, was denied by the insurance company, due to the District not having flood insurance at that time. He disagreed with the determination and stated he forwarded the information to District Counsel. Mr. Clark stated an associate is reviewing the information and anticipated writing a letter.

Mr. Kloptosky recalled the Board approved a storage shed for the 2011 capital budget. He stated he is reviewing the code issues with the city and has not received a final decision. If the proposed Marlin Drive facility is determined to be a commercial facility, then the District is not limited to size on what kind of building can be built. He stated a wooden 10' x 20' building could be purchased for about \$5,000; if allowed, a larger building could be built. He stated he is waiting to hear from the city as to what is allowed. Mr. Clark recalled that the city has the parcel zoned for stormwater irrigation/reuse and that it is not zoned as residential. He stated the city may take the position that the District is limited as to what can be built so that it has to relate to the use of a storage facility. He stated the District can make the argument that the District is storing things related to the function of the facility. Mr. Kloptosky stated the proposed wooden buildings are hurricane compliant for the wind code and the specifications can be submitted to the city for permitting. Supervisor Gaeta asked if there were concrete pads poured for the buildings. Mr. Kloptosky stated concrete pads are not present but can be considered before the purchase.

Mr. Kloptosky stated he received a resident concern about the lack of a stop sign on the corner of Chinier Street and Front Street. He noted there are a lot of tire tracks from speeding

vehicles and a resident inquired as to whether or not a stop sign can be installed. Mr. Kloptosky stated he will discuss the DOT requirements with Mr. Misterly.

Mr. Kloptosky stated the final design for the pergola was submitted and anticipated receipt of signed plans to use for the bidding process. He stated the contractor is installing the rear fence at the Village Center and numerous holes in the stem wall had to be patched. The old fence was core drilled, which had to be ground down, and new stucco was applied. He stated the work was necessary before the fence was installed. Mr. Kloptosky stated the south side and front gates are in production and anticipated the entire project to be complete in about three (3) weeks. In response to Supervisor Gaeta's question, Mr. Kloptosky stated the stuccowork cost \$1,000.

Mr. Kloptosky discussed the potential removal of the information center sign. He stated the letters are carved in the sign and proposed replacing the entire sign. Supervisor Davidson asked if the letters could be removed. Mr. Kloptosky did not believe the sign would look acceptable, after the letters were removed. Supervisor Davidson stated he will look at the sign.

Mr. Kloptosky recalled, in October, a trespass order was issued to an individual who was arrested for illegal activity on the property. Since then, the person has repeatedly trespassed and Mr. Kloptosky filed a formal complaint with the sheriff's office. The complaint went to the attorney general's office and a hearing will be scheduled.

Mr. Kloptosky discussed infrastructure problems on the walking paths in Wild Oaks. He explained the concrete curbing is disintegrating, cracking and falling apart. He provided photos of the areas and stated there is about 120 feet with safety issues. Mr. Kloptosky stated no rebar was poured in the concrete and anticipated the problem to continue in the future. He stated the contractor will complete the concrete work with rebar. Mr. Clark asked if the original plans called for rebar. Mr. Kloptosky stated he does not have any as-builts for Wild Oaks and LandMar has not been able to provide them. He stated the engineer might be able to locate as-builts with the city. Discussion followed on the location of any as-builts. Mr. Kloptosky reviewed the photos of the damage and explained that the cracking is the beginning of the disintegration.

Mr. Kloptosky reported that a contractor, driving a tractor trailer with a machine on it, tried to do a u-turn around the Owl's Roost East Island and took out the entire side of the island, irrigation, plants and drove coquina boulders $\frac{3}{4}$ of the way down the street. He stated the island is being repaired today and the incurred costs will be passed on to the contractor.

- i. Project Tracking Form**
 - **Stormwater Pond Project “A”**
 - **Stormwater Pond Project “B”**
 - **Village Center Front Gate Replacement**

C. District Counsel

Mr. Clark recalled previous discussions with the developer regarding various issues and they seemed to drop out of the conversations after deciding not to pursue the tax issue on the golf course. He stated he contacted the attorney last week and asked him about the status of various things. Mr. Clark reminded the attorney to complete the review of the properties for a possible deeding over to the District.

Mr. Clark recalled a conversation on the weir bond. He stated he received the public records request and it appears there is approximately \$50,000 in unspent funds in the bonds and it appears to him that the city has plans for those funds. We have had discussions and are meeting with the developer and, perhaps to the extent that there are unfinished things in Wild Oaks, they would step aside and let us recover that. Mr. Clark advised that there are details to work out but he still has his eye on that to try to compensate the District for the things that it probably will not be able to get the developer to do because of the bankruptcy issue.

Mr. Clark reported the R.A. Scott issue is ongoing and seems there is no longer a desire to reach a settlement. He stated the District is proceeding as if the District is going to win the case. He noted documents are missing and that the District does not have a lot of things that they should, in terms of plans, as-builts and contracts. He believed that to be a reflection that the developer really ran the project out of the developer's office, even though it was a District project. He stated public records requests were sent to the former engineer and developer, asking them to surrender any documents relating to the project. If responses are not received, the District will take appropriate actions. Mr. Clark stated it is time for the District to hire an engineering consultant or expert witness type of consultant. He stated he is talking with a couple of people to review the infrastructure in preparation for giving a professional opinion about what is happening with the infrastructure throughout the community.

Supervisor Davidson asked Mr. Clark to briefly discuss the R.A. Scott litigation. Mr. Clark stated R.A. Scott built Wild Oaks and other things. They were late in the project and the Board withheld about \$400,000 in liquidated damages under the contract. R.A. Scott contests

the withholding of the funds, the District's right to withhold funds and the District's calculation of the days and fees involved. R.A. Scott contests there were many delays caused by the District, developer or other contractors. The District's position was that R.A. Scott did not do what the contract called for them to do. Under the circumstances, R.A. Scott had provisions to give notice and make requests to the engineer to be allowed extra days on their schedule; however, they did not do any of those things. The District takes the position that whether they are right or wrong about the delays, it is too late to bring the issues up three (3) years after the work is done. Mr. Clark stated R.A. Scott said that deals were made orally to give them some fill dirt to compensate and the dirt was taken away and the District owes them \$140,000 for the dirt. Mr. Clark noted the claim is contested on the basis that districts cannot make oral agreements. He stated there were settlement discussions but they did not seem interested, at any reasonable level, in settling.

Supervisor Davidson noted the lawsuit being brought against the District is for \$600,000. There is \$150,000 that was set aside for litigation in the reserve account. He noted the District should consider the possible necessity of using litigation reserves when reviewing the budget.

D. District Manager

i. Discussion: Five (5)-Year Financial Projections for Assessments (*including assumptions*)

Mr. Wrathell stated he would like to wait until the budget and CIP plan are complete. He reviewed the proposed budget updates and stated he would like to include a summary table that projects the general fund, operating, infrastructure reinvestment and debt service assessments. He stated he can include the fund balance component.

Supervisor Pollinger noted that if the District loses the R.A. Scott litigation, the payment can be made from the fund balance and rebuilt over time.

******The meeting recessed at approximately 11:17 a.m.******

******The meeting reconvened at approximately 11:28 a.m.******

SEVENTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Continued Discussion: Updates to Fiscal Year 2012 Budget

Mr. Kozak reviewed the budget updates and explained they were based upon the capital improvement plan discussed at the last meeting. He stated that Creekside reconfiguration was

increased, the projected expense for the POS systems in Fiscal Year 2011 was updated, tennis court resurfacing costs were decreased and the tennis court well expense was included. Supervisor Davidson stated the well was rejected; the city and Saint Johns River Water Management District (SJRWMD) will not allow the District to drill a well. Mr. Kozak stated the line item will be removed and noted the Marlin Drive storage shed expense was increased to \$28,000. Discussion followed on the appropriate amount for the Marlin Drive storage shed. Mr. Kloptosky recommended \$15,000.

B. Continued Discussion: Capital Improvement Plan

Supervisor Lawrence noted the 2012 capital plan is a work in progress and the only thing that is approved is the total number of dollars of \$445,888. He explained the number comes from the budgeted expenses for infrastructure improvements, other capital items and a 4% increase. He stated a ten (10)-year capital projection was looked at and the CIP was built on separate line items that were identified by a resident group in July 2009. Supervisor Lawrence stated if the community's infrastructure is considered and about \$445,000 is spent every year, over the next ten (10) years, the community's infrastructure needs can be addressed. The number is escalated at about 4% per year, to account for inflation. He stated about 60% will be spent on resurfacing the roads and believed the infrastructure renewal expenses will be level.

Supervisor Lawrence reviewed the CIP plan. He stated the storage shed for Marlin Drive will be increased to \$15,000 and the new office furniture/filing cabinet will be increased to \$6,000, for Fiscal Year 2011. He stated Mr. Kloptosky recommended replacing the carpet in the office with tile for a cost of about \$2,000 and recommended completing the project in 2012. Supervisor Lawrence recalled the need for a railing on the front and back porch at Creekside. Mr. Kloptosky stated he received a quote of \$6,400 that did not include the two (2) front railings at Creekside. Supervisor Davidson noted the quote of \$7,250 for stair railings is included in the proposed budget, on Page 4. Supervisor Lawrence asked if the Board wanted the work completed in the current fiscal year or in 2012. Mr. Kloptosky noted it is a safety issue, as a resident already slipped and fell. He confirmed the material will be the same as what is already present. The Board decided to have the work completed in 2011.

Supervisor Lawrence noted the safety issue at the canopy area. Mr. Kloptosky noted the grass near the seating area on the south side of the croquet court accumulates a slimy mold and a resident slipped there. He stated he obtained a quote from Austin Outdoor for removal of the

grass and installation of mulch or river rock. He noted the pavers are coming loose on the border of the patio. The Board agreed to complete the work in 2011.

Supervisor Lawrence reviewed the tennis court resurfacing numbers and the amount for road resurfacing. Discussion followed on the installation of an open drain on Sailfish. Mr. Kloptosky noted additional costs for surveying and engineering will be necessary. Supervisor Lawrence recalled a discussion with the prior engineer about estimated costs to install an open throat drain for about \$15,000. He stated he will include about \$25,000 in the CIP. Mr. Wrathell recalled the Board anticipated the roadwork to come out of the resurfacing line item. Discussion followed on the completion of the road resurfacing. Mr. Kloptosky noted the drainage problem at Sailfish is also associated with the huge dip in the road that needs to be repaired. Supervisor Pollinger noted he would like to have the work done right the first time.

Supervisor Davidson asked for comments from the Board regarding the proposed infrastructure item related to the croquet court.

Supervisor Chiodo recalled resident comments regarding the proposed reconfigured croquet court and the proposed internal amenity/security systems project. He noted the significant costs associated with both projects and that neither project has been approved. Supervisor Chiodo requested to have the two (2) items removed from the specific listing and add the \$99,000 to the road resurfacing. He stated, by adding the projects as line items in the budget, it gives the perception that they are quasi-approved.

Supervisor Gaeta noted the unfavorable economic conditions and recommended the Board re-review the individual CIP 2012 budget line items again. She believed the proposed 2012 budget should be implemented with line items that directly relate to safety and security, with infrastructure included. She believed the current amenities should be maintained but any expansion is not fiscally or financially prudent. Supervisor Gaeta recommended that the “nice to have” and “need to do” be revisited and readdressed. She stated the Board needs to be sensitive to the residents and individual pocketbooks, regarding the proposed assessments. She recommended that an audit be conducted relative to the internal/amenity security systems’ existing hardware/software to better determine the budgetary estimates. Depending on the outcome of the audit, the Board can evaluate the recommendations and vote as to how the budget could be impacted. Supervisor Gaeta believed an increase in the assessments may be palpable if the monies are dedicated to necessities, rather than luxuries.

Supervisor Gaeta stated the \$40,000 for the security system is not a true figure and there are more details that will lead to further discussion. She agreed this is not the time for any major expansion.

Supervisor Chiodo noted he was dealing with residents' perception of the budget and Supervisor Gaeta is dealing with the reality of the budget and the economic times. He believed the Board needs to make sure the amount in reserves is adequate.

Mr. Wrathell noted a budgeted item is not an indication that the work will be completed. Supervisor Lawrence stated the reason for consideration of a second croquet court is due to the wear and tear on the first court. He stated a ten (10)-year plan has been completed and believed the level of expenditure is needed to address the replacement of the infrastructure. Supervisor Lawrence recommended keeping the total dollars allocated for infrastructure renewal, at the current level.

Supervisor Chiodo noted residents in the community are hard-pressed with the economy and an increase to the assessment should only happen if it is absolutely needed. Supervisor Lawrence discussed previous assessment amounts and noted the proposed increase is currently 4.4%. He noted the prior year assessment included an 11% increase and recalled the prior year's public hearing in which residents spoke of the need to spend an adequate amount of money to address the aging infrastructure.

Supervisor Pollinger stated it is the District's responsibility to maintain the infrastructure and, if there is a significant interest/desire for an amenity, it is the obligation of the Board to consider it. He stated he was not for, or against, the proposed work and agreed that the placement of unapproved projects in the budget gives the appearance that the project is approved.

Mr. Wrathell proposed including the funds for the proposed projects under general infrastructure replacement/repair, instead of individual line items. The Board agreed.

C. Discussion: LRRP - FY2011 and FY2012 Budgets

Supervisor Davidson reviewed the landscape projects for 2011 and 2012 and noted that the photographs are for proposed work. He noted most of the future funds, after the renovation is completed, will be spent on vine removal.

D. Consideration of Addendum #1 to Agreement for Management Advisory Services

Mr. Wrathell recalled discussion regarding the District's dissemination agent and reviewed the offer for Wrathell, Hunt and Associates, LLC, to serve as dissemination agent.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, Addendum #1 to Agreement for Management Advisory Services, authorizing Wrathell, Hunt and Associates, LLC, to serve as dissemination agent for the District was approved.

E. Continued Discussion: Proposed Internal Amenity/Security Systems (MG)

Supervisor Gaeta reviewed the program description for the internal/amenity security systems that proposed to add/upgrade/replace/modify the gate card reader access system, digital video recorder (DVR) and surveillance system at Creekside and the Village Center. She noted the current system, Door King, is good quality; however, there are various panels that need to be upgraded. She discussed the areas of vulnerability in the community and stated an audit needs to be completed by an independent entity. Supervisor Gaeta recalled 300⁺ cards were deactivated from the Door King system and that there is no recourse; rather, the staff had to input the information individually.

Supervisor Chiodo noted this proposal speaks to operational issues that need to be addressed. He asked who should implement the program. Supervisor Gaeta replied it is dependent upon the results of the audit.

Supervisor Lawrence noted there are two (2) separate issues involving the gate access system and issues with who enters the amenities. He noted the entity completing the audit cannot be a provider. Supervisor Gaeta agreed the entity should be neutral and believed the operations manager should be involved. She stated the District has a state of the art system but the panel needs to be upgraded. She noted the data is being backed up on thumb drives and did not know how commercial security was completing a backup.

**F. Discussion/Consideration of ADA Assessment Diagnoses and Prescription Quotes
(to be provided under separate cover)**

- LMS
- RGA Group

Mr. Kozak provided and reviewed the ADA Assessment Diagnoses and Prescription proposals. He stated LMS provided a quote of \$8,750 for a diagnosis and report. The RGA Group proposal was for \$2,500 for a diagnosis and report. Mr. Kloptosky recalled touring the community with RGA.

Mr. Clark discussed the RGA proposal and did not believe it was appropriate that the liability be limited to the fee.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the RGA Group proposal to identify potential non-ADA compliant conditions and provide a cursory opinion letter of existing conditions, as they relate to the ADA code, pending additional liability coverage, was approved.

G. Discussion: Political Capital “Redistricting” Eblast (SD)

Supervisor Davidson noted his responsibility in cleaning up, updating the website and sending eblasts. He believed it is the obligation of the District to provide public service information in a neutral manner when there are significant issues that affect residents of the District. He proposed to send the following eblast:

“The Palm Coast City Council will be selecting a redistricting plan which will include Grand Haven at the City Council meeting on June 21, 2011. The plan selected will determine the Palm Coast City District in which Grand Haven residents will be represented for the next 10 years, until the next United States Census. The meeting will take place at the Palm Coast Community Center, 305 Palm Coast Parkway, at 9:00 a.m., on Tuesday, June 21, 2011.”

Supervisor Gaeta recalled that the city council voted to override the commissioner’s recommendation of alternate one and the proposal was for one (1) of two (2) redistricting plans in which Grand Haven was in District 3. Supervisor Davidson stated he was aware and the meeting is the second reading of the ordinance where it becomes law.

Supervisor Lawrence noted the political implications and asked for advice from District Counsel.

Mr. Clark discussed the involvement of the District and that the announcement of the meeting is neutral.

Supervisor Chiodo found no problems with the announcement and believed it is important for the District to make sure the Grand Haven community is aware of events that could affect the community.

Supervisor Gaeta noted her concern for having the community divided into two (2) separate districts.

Supervisor Pollinger discussed the redistricting and that it is not the job of the District to educate on happenings in the city.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with Supervisors Gaeta, Pollinger and Lawrence dissenting, the proposed eblast, as presented by Supervisor Davidson, was not approved. (Motion failed 2-3)

Supervisor Davidson asked if the Board would like to approve all eblasts, prior to being sent. Supervisor Gaeta believed if it is a political issue, then it needs to be discussed as a Board.

H. Consideration of Pond Fishing Signage (SD)

Supervisor Davidson noted parking issues around the ponds and individuals not moving their cars off of the private property. When the sheriff's office is called, the parties leave by the time the deputy arrives. He stated a resident requested permission from the ADC to put a sign up that reads 'Private Property', on District property. The ADC turned the request down per the CC&R requirements of no signage. He stated Ms. Judy Hackstaff did not have an issue with the District placing the signs on the property line. Supervisor Davidson proposed 'No Parking' signs as well. He stated the signage may be ugly but could help address the issue of the parking. He clarified the signs would be placed in between the common and private area.

Mr. Clark believed, if the signs are needed, he preferred the signs to be placed on the property line because people are allowed to fish in the ponds. He stated the District needs to be careful to make sure the people understand that the District cannot enforce no trespassing on their private property. The property of the private residence is being trespassed and they need to call the sheriff to enforce the no trespassing. He did not recommend the District pay for the 'No Trespassing' signs. Regarding the 'No Parking' signs, he believed it will be a noncompliant parking sign. He stated, to do an official 'No Parking Zone', the signs must comply with Chapter 715 so that a tow truck will come out and enforce it.

Discussion followed on the ability of the property owner to post a ‘No Trespassing’ sign. Supervisor Pollinger noted the parking on a public street cannot be controlled; it is the responsibility of the city.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, the posting of ‘No Trespassing’ signs on one (1) pond, for a trial period, was approved.

I. Consideration of Quotes for Tennis Court Resurfacing

- S. E. Cline
- BAB Tennis

This item was removed from the Agenda.

J. Consideration of Board Member as Representative for Developer Discussions

Supervisor Lawrence recalled the developer volunteered to have a quarterly meeting including representatives from the District, master association and golf course and recommended Supervisor Davidson to be the District’s representative. Supervisor Davidson recommended Supervisor Chiodo attend the meetings.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the appointment of Supervisor Chiodo to represent the District at quarterly meetings with the developer, was approved.

K. Establishment of Ad Hoc Fact Finding Group for Resident Survey of Satisfaction with District Services (PC)

- Primary Candidates
- Secondary Candidates

Supervisor Chiodo proposed the creation of a five (5)-resident ad hoc group to develop an instrument to measure resident satisfaction with District services. He stated each Board Member could nominate one (1) or more residents to the group. All input should consider assessing for the proposed amenity changes and include the impact on the current amenity offerings. He

stated the group would deliver a methodology to determine resident "bias" on the issues and provide the expected time frame needed to obtain resident input.

Mr. Wrathell asked if the focus is on the physical amenities that are offered and whether or not those are adequate. Supervisor Chiodo replied affirmatively but the process can be adapted to anything where resident input is needed. Supervisor Davidson recommended changing the title to District Services Delivery Program.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, creation of an ad hoc group for District Services Delivery Programs was approved.

Discussion followed on the possible residents to form the group. Supervisor Gaeta recommended Ms. Diane Layng. Supervisor Lawrence recommended Ms. Kathy Merlo. Supervisor Davidson recommended Mr. Frank Benham. Supervisor Chiodo recommended Mr. Jack Loechner.

L. Consideration of Estate/Garage Sale Public Safety Policies and Procedures (SD)

Supervisor Davidson stated a resident held an estate/garage sale and put a sign on the corner of Palm Coast Parkway and Colbert Lane. The resident parked a car and put a sign on the hood of the car. He stated he went by on Friday and both sides of Puffin had cars with about two (2) feet of space. Supervisor Davidson stated he discussed, via telephone, with the property management office and found out some of the Villages have a double negative policy on garage sales; there is a prohibition by the master and there is a prohibition on the prohibition. He explained, after discussion with the guards, prior residents were told that garage sales could not be advertised and were by appointment only. Supervisor Davidson stated Mr. Railsback is working on policies and procedures for the website. He stated policies and procedures are needed to address the parking issue.

Mr. Clark stated this is a tough enforcement issue and the garage sale itself is a private property, GHMA issue. He recommended encouraging the association to look at the procedures and try to clean them up. Mr. Clark did not believe people could be turned away; however, the double-parked cars are a public safety issue. He stated the District cannot regulate garage sales.

Supervisor Lawrence recalled a time in the past when the Village Center would periodically run a garage sale. Discussion followed on the potential of a community garage sale.

M. Resident Directory Status (MG)

****This item was discussed after the Tenth Order of Business.****

Supervisor Gaeta reported that AMG provided the information to the District office and the office is going through the records. She recommended having AMG and the District include informational statements as to their job functions. She Also and reported that informational content of the district contains the new, updated phone numbers.

Supervisor Davidson stated the master association sent their confidential list of their residents and owners to the District office in order to confirm the information.

Supervisor Gaeta asked if the form to be completed by residents/renters will be available on the website. Supervisor Davidson responded affirmatively.

N. Consideration of Using Flagler County Bank for Portion of GHCCD Savings Funds (TL)

****This item was discussed after Item 7M.****

Supervisor Lawrence requested to hold some funds in a local bank, Prosperity Bank. He explained the program where they will pay to the school 1/10 of a percent, per quarter, on the account amount.

Mr. Wrathell recalled previous conversation on the possibility of using Prosperity Bank. He reviewed the District's investments reflected on the fund balance sheet on Page 1 of the unaudited financials. He noted the funds currently held in the Community Bank of Broward, in the amount of \$1.7 million, are in a Demand Deposit Account (DDA), which is a non-interest bearing account that is fully insured by the FDIC, beyond the \$250,000 limit. He recommended opening a DDA account at a local bank. In addition, he recommended opening a second savings account that can earn interest, within the FDIC insurable limits. Mr. Wrathell recalled a prior email from the FDIC confirming that the non-interest bearing accounts are fully insured, up to an unlimited amount; interest-bearing accounts are covered up to \$250,000.

Mr. Wrathell recommended opening a DDA account and a savings account, up to \$250,000, at a local bank. He preferred to obtain correspondence from FDIC that the amount is insured beyond the \$250,000. Discussion followed on opening a new account. Supervisor Gaeta recommended waiting and discussing the issue at a workshop. Supervisor Davidson asked if Prosperity Bank is a qualified public depository. Mr. Wrathell stated if the Board desired to

open the accounts, it would be contingent upon the bank being a qualified public depository. This item was continued to the next meeting.

EIGHTH ORDER OF BUSINESS

OPEN ITEMS

The open items were not addressed.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

There were no Supervisors' requests.

TENTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

****This item was discussed after Item 7L.****

A. Approval of Minutes

- **May 5, 2011 Continued Meeting**
- **May 5, 2011 Community Workshop**
- **May 19, 2011 Regular Meeting**

B. Approval of Unaudited Financial Statements as of May 31, 2011

C. Approval of Requisitions

- **Number 24, Reimbursement of Fees Paid by General Fund for "B" Pond Projects (S.E. Cline Construction, Inc Invoice 502, Job 729) 2008 Construction Account)**
- **Number 189, Reimbursement of Fees Paid by General Fund for "B" Pond Projects (S.E. Cline Construction, Inc. Invoice 502, Job 729) 2004 B Construction Account**

D. Ratification of Resolution 2011-5, Approving the District's Proposed Budget for Fiscal Year 2012 and Setting a Public Hearing Thereon Pursuant to Florida Law

- **September 1, 2011**
 - **3:00 p.m., Regular Meeting**
 - **5:00 p.m., Public Hearing**

Mr. Wrathell noted Resolution 2011-5 amends the time of the public hearing on September 1, 2011. He clarified the regular meeting will be held on September 1, 2011.

E. Consideration of Supervisor Chiodo as Wild Oaks/R.A. Scott Litigation Liaison

Mr. Wrathell presented the Consent Agenda Items for the Board's consideration.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the Consent Agenda Items, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

ADJOURNMENT

There being no further business, the meeting was continued to July 7, 2011, at 10:00 a.m.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the meeting was continued to July 7, 2011, at 10:00 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair