

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

A Continued Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, July 7, 2011 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:**

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 Group (AMG)
Roy Deary	Amenity Management Group (AMG)
Barry Kloptosky	Field Operations Manager
Garry Lubi	Prosperity Bank
Kay Borer	Resident
Ron Merlo	Resident
Frank Benham	Resident
Vic Natiello	Resident
Al LoMonaco	Resident

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. Wrathell called the meeting to order at 10:04 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)**

There being no audience/resident responses, reports or comments, the next item followed.

**FOURTH ORDER OF BUSINESS**

**BUSINESS ITEMS**

**A. Acceptance of Update to GHCDD/GHMA Pond Planting Scheme**

Supervisor Davidson reviewed the exception language to the pond bank planting scheme. Supervisor Lawrence asked if the homeowner could maintain the bahia grass. Supervisor Davidson noted the grass does not require any maintenance, once established. He stated Ms. Leister recommended having the District maintain the area. Supervisor Davidson explained that once the banks are established and the spartina is planted, then coquina may be used and placed on top of the bahia grass. He explained the bahia grass is a temporary means of holding the pond banks. Supervisor Gaeta asked how many lake banks will be included. Mr. Misterly stated all the banks included in the project, approximately 46, will be completed. He recommended adding sod to the banks not included in the project. Supervisor Lawrence asked about the maintenance plan for the bahia grass. Mr. Kloptosky stated Austin Outdoor can take on the additional responsibility. Supervisor Davidson noted the maintenance could go beyond every two (2) weeks. Supervisor Gaeta asked if the District is working with GHMA and whether any covenants, conditions and restrictions (CC&Rs) will have to be amended. Supervisor Davidson noted an amendment to the CC&Rs requires a 2/3 vote of a village. He explained the pond planting scheme was accepted by GHMA because it is on District property and then sent to the Architectural Design Committee (ADC) for the District.

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, the updated pond planting scheme, for pond outfall repairs, was approved.**

**B. Discussion: Prosperity Bank**

Supervisor Lawrence proposed moving District funds to a bank located within Flagler County. He discussed the programs available at Prosperity Bank and noted Mr. Garry Lubi was present, on behalf of Prosperity Bank. Mr. Lubi discussed the security of the bank. He stated the

bank has approximately \$161 million in mortgage backed securities, with 99% being Ginnie Mae's, which are backed by full faith and credit of the government. He recalled the FDIC closed 46 banks this year, with eight (8) being in Florida. Mr. Lubi acknowledged the consent order issued by the FDIC and explained it required the bank to raise more capital.

Mr. Wrathell noted any bank holding District funds must be a qualified public depository (QPD), in the State of Florida, as well as FDIC insured. Mr. Wrathell recalled correspondence with the FDIC regarding the creation of a sweep account for a possible repo account. He stated he wanted to make sure that the repo account is FDIC insured and noted that the FDIC confirmed that an established DDA noninterest bearing account and a regular checking/savings account, at the same institution, would be insured up to \$250,000.

Mr. Wrathell discussed the hypothetical situation of a bank being seized by the FDIC and whether the District would be protected. He requested additional time in order to receive a response from the FDIC regarding the sweep account coverage.

Supervisor Pollinger asked who proposed moving to a new bank. Supervisor Lawrence stated it was his recommendation that the District's residents' money be moved to a local bank, in Flagler County, to help local businesses. He noted the District's funds are currently sitting in South Florida and believed they should be moved to the county. Supervisor Pollinger asked if it would affect the District Manager's ability to process payments.

Mr. Wrathell recalled the issue was brought to him about six (6) months ago and discussed the proposal of using a local bank for funds, other than the operating account. Mr. Wrathell recalled discussion at prior Board meetings. He explained that he does not have a preference where the funds are located, as long as the bank is insured by the FDIC.

Supervisor Pollinger asked why Prosperity Bank was chosen as the local bank. Supervisor Davidson asked if the Board Members are ready to move District funds to any other bank. Supervisor Pollinger stated he was ready to make a decision.

Supervisor Chiodo noted the issue was discussed in prior Board meetings. He stated he believed his responsibility is to ensure the integrity of the funds. He believed that, in order for the Board to make a decision, the Board should compare the current banking conditions, including banking fees and yields; comparing Prosperity Bank and at least two (2) additional local banks. Supervisor Pollinger concurred with Supervisor Chiodo's statements and proposed

the solicitation of bids. He stated he is not prepared to move forward until he has sufficient information.

Supervisor Gaeta concurred with Supervisors Chiodo and Pollinger.

Supervisor Lawrence noted the District’s funds are currently not earning interest and they are in a FDIC insured bank account.

This item was tabled until further information is received. Supervisor Chiodo thanked Prosperity Bank for their participation.

**C. Revised Proposal from RGA Architects, LLC**

Mr. Wrathell recalled RGA Architects, LLC, was authorized for the ADA Assessment, pending their change to the limit of liability coverage. He stated the language was changed to reflect coverage of \$100,000 and the District was named as an additional insured. He stated, if the Board approves the firm for work beyond the initial assessment, the District would request an increase to the limit of liability.

Supervisor Lawrence noted areas including the basketball court, the playground at Wild Oaks and the main and south guardhouses are not included in the scope. He requested adding those areas to the scope of service.

Mr. Kloptosky recalled discussion on the center park gazebo, requesting the area be included in the scope. Mr. Wrathell noted the intent is to include all District-owned facilities. Mr. Kloptosky noted part of the agreement referenced all District-owned facilities.

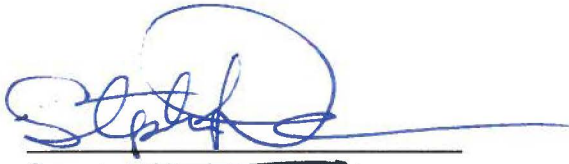
Supervisor Chiodo asked for the duration of the study. Mr. Wrathell stated it is not defined in the agreement. Supervisor Chiodo asked for a date. Supervisor Davidson requested 30 to 60 days. Mr. Wrathell stated he will contact the firm to confirm a time frame. He stated he will wait to execute the document until the appropriate changes are made.

**FIFTH ORDER OF BUSINESS**

**ADJOURNMENT**

There being no further business, the meeting adjourned.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the Continued Meeting adjourned at 10:48 a.m.**



~~Secretary/Assistant Secretary~~

Chair



~~Chair/Vice Chair~~

ASST Secretary