

**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, April 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
Marie Gaeta	Assistant Secretary
Tom Lawrence	Assistant Secretary
John Pollinger	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Doug Paton	Wrathell, Hunt & Associates, LLC
Howard McGaffney	Amenity Center Manager
Roy Deary	Amenity Center Manager
Ray Smith	Resident and Business Plan Facilitator
Brian Simms	District Engineer
Louise Leister	Horitculturalist
Jordan Prosceno	Corporate Benefit Advisors
Joanna Salkovitz	Resident
Ron Merlo	Resident
Chip Howden	Resident
Diane Layng	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:08 a.m., and noted, for the record, that Supervisors Davidson, Chiodo, Gaeta, Lawrence and Pollinger were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

**Business Plan Strategic Session (RS)
[10:00 AM – 11:45 AM]**

Mr. Wrathell stated two (2) letters were received regarding the business plan. He read the following letter, dated April 2, 2011:

“Ray,

Thank you so much for outlining the responsibilities and objectives of the Board of Supervisors based upon feedback obtained from each of us during the last workshop. However, given the steps involved to achieve an effective action plan for a CDD, I believe this procedure is far too labor-intensive to accomplish the outcome the BOS’ expect. I have thoroughly read all of the documentation you provided and determined that although there are some good points and suggestions, the practicality as an application for our community provides little relevancy and is not applicable to a CDD. The residents would be better served if the BOS’ focused on one issue at a time based upon the level of importance and its impact on the safety and security of the community as a whole. In summary, the SWOT analysis regarding each objective is an ever changing entity based upon economics and the dynamics within the community and is virtually impossible to forecast.

Respectfully yours,

Marie Gaeta”

Mr. Wrathell also read the following letter, dated April 5, 2011, addressed to Mr. Wrathell, from Mr. John F. Pollinger:

“After I voiced my original concerns, I still participated during the workshop and provided my input. I also agreed with the assessment of other board members it was somewhat useful at the time and not surprisingly, I found the board to be pretty much in agreement on the future of Grand Haven and what we as board members need to do in carrying out our responsibilities. However, we are part-time board members who hire professionals to advise us. For the

most part, we should provide opinions and/or consent based upon their experience and expertise in the respective fields for which they are retained. We are obligated to maintain infrastructure as well as provide our residents with a quality of life they've come to expect in a variety of areas as required by law. There will often be however, instances for which the board will have to decide the outcome in many unforeseen circumstances proposed by professionals and residents alike and I believe we are already well equipped to handle those responsibilities.

My core belief remains steadfast that the board's role is to hire professionals as required by law, listen to those professionals, provide feedback as to the tasks we retained them to perform and support our employees by providing the tools necessary to carry out those responsibilities.

It shouldn't be more complicated than that.

Sincerely,

John F. Pollinger"

Supervisor Davidson noted that Ms. Louise Leister will be presenting later in the meeting. He asked for any comments from fellow Board Members.

Supervisor Chiodo noted the difficulty in the creation of the business plan but that the Board is moving in the right direction. He recommended continuing in the current direction. Supervisor Lawrence concurred with Supervisor Chiodo and believed that the final document is going to be valuable to the organization. He stated the document can be used for new staff to help explain the critical aspects of the organization and supported moving forward.

Supervisor Gaeta thanked the Board for their comments. She stated her letter summarizes how she feels. She believed the process has become too complicated and labor intensive for the document to be applicable to the community.

Supervisor Pollinger noted the document is a template used for business, rather than something specific for the Board. He stated the SWOT analysis, easily obtained off the internet, has things that are inapplicable to the Board. He objected to the tone of the phone call he received from Mr. Smith and the lack of concern for Supervisor Pollinger's personal issues.

Supervisor Davidson discussed completing the document and the need to control the time and involved labor.

Mr. Ray Smith apologized for the phone call he had with Supervisor Pollinger. He presented a slide show presentation and recalled that, at the last meeting, the facilitator role and Board role were outlined and the objectives were defined and prioritized. Mr. Smith noted the process completed by the Board is the same process completed by the county. He reviewed a list of the community's strengths. Supervisor Davidson asked who is ABM. Supervisor Lawrence replied ABM is the gate security company. Mr. Smith provided a list of the community's weaknesses. Discussion was held on the status of the policies and procedures manual. Supervisor Davidson noted that the Sunshine Law does not allow the Board to hold discussions outside of Board meetings. Supervisor Gaeta noted the Board has been communicating to the community through the use of the e-blasts. Supervisor Lawrence stated the communication to the residents could be improved. Supervisor Chiodo recommended adding a long-term understanding of the assessment requirements over a five (5) or ten (10)-year period, to the weakness list.

Mr. Smith reviewed a list of opportunities and threats. Mr. Smith asked if the Board believed the ten (10) goals/objectives were attainable. Supervisor Chiodo responded affirmatively and noted all the objectives are not equally important. Supervisor Pollinger responded affirmatively. Supervisor Davidson responded that some of the objectives are attainable but some may not be attainable due to the great unknown. Supervisor Lawrence replied that most of the objectives are attainable. Supervisor Gaeta did not have a comment. Mr. Smith presented and discussed the strategies related to each objective. Under the strategies pertaining to safety and security, Supervisor Chiodo noted that there are no standing ad hoc committees and recommended inserting, periodically, as it pertains to the existence of an ad hoc committee. Discussion followed on alternative funding sources to obtain the goal of no special assessments. Mr. Smith noted the goal to build adequate reserves will be addressed when the goal of no special assessments is obtained. He reviewed the goal of staff/employee planning. Supervisor Gaeta recommended the staff and compensation plan objective be addressed through a policy and procedures manual. Mr. Wrathell recalled previous conversation about staffing and the need to evaluate the staffing level.

Mr. Smith discussed the objective of Board unity and that two (2) different statements were provided. The first statement noted the enforcement of the code of conduct, statutes and respect for differing opinions. The second converse statement expresses the belief that Board

unity is not necessary, as an objective/goal, and is desirable but not appropriate for the business plan. Supervisor Pollinger and Supervisor Chiodo expressed their belief that it does not belong as a strategy. Supervisor Gaeta noted that the existing Board is trying to set forth a plan for future boards to indicate that egregious, contentious conduct is not appropriate and will not be tolerated. Mr. Wrathell noted the objective and focus of preserving the District's assets.

Discussion followed on the objective of communications and establishing time requirements for staff and vendors to provide written proposals before CDD meetings. Supervisor Gaeta recommended creating a cut-off time to accept items for the agenda and limiting the number of items on the agenda.

Mr. Smith discussed the objective of delivering amenity services in which the goal is to provide the best service to the residents, for the community's service. He noted the strategy of conducting a needs/wants/satisfaction survey of the residents. Discussion followed on the overall goal of the objective. Supervisor Davidson recommended including the development of measures to assess the appropriateness and quality of amenity services.

Mr. Smith discussed the political capital objective and the strategy to obtain such, as well as the objective to identify outside funding for the District. He noted the strategies included identifying possible funding sources from local, state or national levels, along with encouraging residents to volunteer to lower CDD expenses. Supervisor Gaeta stated she did not agree with residents volunteering and the Board discussed the use of volunteers, as well as the inclusion of the volunteers in the business plan. The Board decided not to include residents volunteering.

Mr. Smith asked if the Board has strategies to follow to reach the goals.

The Board replied affirmatively. Mr. Smith stated, after strategies are named, programs to implement the strategies are developed. He discussed the presented program description form. The Board discussed the creation of the plan and the completion of the individual programs. Discussion followed on the assignment of objectives.

Supervisor Pollinger was nominated to handle the objective of safety and security. Supervisor Chiodo was nominated to handle the objective of no special assessments. The Board agreed that the staff/employee planning be handled by the District Manager. Mr. Wrathell recommended completing the planning after the Board completes the other objectives. Supervisor Davidson volunteered to handle the communications objective. Supervisor Gaeta volunteered to handle the amenity services model. Discussion followed on the political capital

objective and possible outside funding objective. Supervisor Davidson stated he would like to work with the District Manager regarding the outside funding for the District. Discussion followed on the safety and security objective and Supervisor Gaeta recommended splitting safety and security into two (2) different objectives. Supervisor Pollinger volunteered for a public safety objective, with Supervisor Gaeta being responsible for security. Supervisor Chiodo volunteered for the amenity services objective.

Discussion followed on the budgeting process and the time necessary to complete the program descriptions. The Board decided to discuss their program descriptions at the next workshop and, if needed, postpone the completion of programs until the budget process is complete. Mr. Wrathell recommended adding any needed line items in the proposed budget.

The Board thanked Mr. Ray Smith for his assistance.

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

*****The meeting reconvened at 11:58 a.m.*****

FOURTH ORDER OF BUSINESS

**REPORT: Amenity Center Manager
[11:45 AM – 12:00 PM]**

Mr. Deary provided the Board with the P&Ls and noted the significant improvement in the bottom line. Supervisor Davidson stated the community is impressed with the quality of the food.

A. Two (2) Additional POS Systems (one in Café, one in the Office)

Mr. McGaffney referred to the April calendar and noted there is free coffee in the morning. He reviewed the quote for two (2) additional POS systems and that the service time would be increased greatly. He requested the item be included in the 2012 budget. Supervisor Lawrence stated it can be included as part of the 2011 capital plan. Mr. McGaffney explained that two (2) POS systems would allow for an ease of service and that a credit card can not be used at the office to pay for certain items including fitness lessons, tennis courts, etc. One (1) POS system would be added to the Café and one (1) would be added to the office.

This item was deferred for consideration at the next Board meeting. Supervisor Davidson requested an equitable distribution of the excess profit and an overview of the report. He recalled the ideas of lowering the cost of the food and a possible agreement that the excess funds be returned to the residents through special events budgeting.

B. Village Center Events Sign Requesting Permission to Utilize the Old Grand Haven Sign that was in Storage

Mr. McGaffney requested the Grand Haven sign that was removed and is in storage be turned into The Village Events sign. Discussion followed on the use of the sign. Mr. Kloptosky recommended including landscaping around the sign.

C. Café Food Storage, Future Planning for 2012/2013, Expansion of Kitchen and Storage Space

Mr. McGaffney noted the tight space in the kitchen and how the Café has evolved over the years into a restaurant. Discussion was held on the possible expansion of the kitchen. Supervisor Chiodo noted the possible strain on the parking abilities. Supervisor Lawrence noted the capacity of the kitchen has to be balanced with the capacity of the parking lot and tables. Supervisor Davidson recalled prior discussion on expanding the parking lot and that the parking spaces could only be increased by five (5) spaces, due to permit restrictions.

Mr. McGaffney discussed the grilling space in the kitchen and requested to expand the grill space to 48” by removing one (1) electric fryer and purchasing an additional grill. He provided a quote for a flat-top griddle and a slatted grill. This quote was deferred for consideration at the next meeting.

FIFTH ORDER OF BUSINESS

PRESENTATION: Long Term Policies Regarding Landscaping Placed in Utility Easements (LL) [12:00 PM – 12:20 PM]

Ms. Louise Leister stated she did some research on the definition of an easement and read the following: *“shall be for the purpose of inspecting, maintaining, cleaning or dredging any water control body or facility appurtenant thereto or otherwise performing the functions required to keep the drainage facility under its ownership or control; if any, open and in good operating condition.”* She noted the District has an easement to provide safe drainage of stormwater through the community and, to keep operating properly, the equipment must be safe guarded from damage. Ms. Leister discussed damage as anything that would undermine the outfall, drainage from the gutters, pools or properties that might cause erosion; removal of plantings to stabilize the outfalls; removal of landscaping materials that has the potential to damage the pipe or the outfall, or impede access to perform maintenance to the equipment. Ms. Leister discussed the existing easement issues, including trees in the easement or in front of the easement and the

presence of hardscaping, such as old oak trees, that are difficult to remove. She stated the CC&Rs indicate no plantings in the easements that would block access to the easements. Plantings alongside the easement should be small, easily-removed plants that have a non-invasive root system. She recommended reviewing all of the access easements to see the existing material and whether any damage is present. Ms. Leister stated property owners need to be informed of any issues and provide them with adequate time for the area to be brought to the standards of the CC&Rs and any material to be removed. She recommended if property owners remain in violation, the District will remove the appropriate material and bill the property owner. Supervisor Gaeta noted the possible involvement of the architectural review board. Mr. Kloptosky recalled prior conversations with homeowners in which the homeowners were, typically, not aware of the easement issues because they relied on the builder and/or landscaper. Discussion followed on the current condition of the easements. Supervisor Davidson noted areas with large trees in the easement have been worked around and estimated 100 easements need to be reviewed. He discussed the need to maintain the tree count and recalled District Counsel advised that the Deed Restrictions trump the Declarant, ADC, and Master Association. The Board discussed the way to proceed with clearing the easements and the use of Ms. Leister as a horticulturalist for the project. Supervisor Davidson recommended beginning the process with a survey of the easements and stated he is willing to work with Ms. Leister and Mr. Kloptosky.

Ms. Leister provided an update on the circle islands. She stated Oasis, Eastlake North, Hidden Lake, South Lake and Lake View at Marsh Crossing were completed. She stated she received a lot of good feedback on various projects. She presented a list of islands that were being prepped for work. Ms. Leister anticipated the circle work to be completed in about six (6) weeks. She recalled the original decision to not complete the circle at Egret Drive and Osprey; however, she presented an Austin Outdoor quote to renovate the circle for \$2,300. The island would be within normal irrigation standards and recommended the Board approve the expenditure. Ms. Leister reported that when the circle island bulldozers are complete, the Montague islands will be completed. She noted the need to raise and move the annual beds forward, at the North Gate entrance. Discussion followed on the existing landscaping at the North Gate entrance. Ms. Leister requested to transplant crape myrtles to the North Gate, by the sign and in the light post area, at a cost of \$1,044. She anticipated having the ligustrum trees, at

the South Gate entrance, replaced for free. Ms. Leister discussed the need to review the irrigation system and consider the vine removal.

Supervisor Davidson reported that Cline is completing the work efficiently and there is a minimal need for sod replacement. Ms. Leister provided information to Mr. Kloptosky for the sod replacement around the outfalls.

Ms. Leister discussed the landscape budget for the 2012 budget. She provided the Austin Outdoor proposal for removal of the vines and wax myrtles, removal of cord grass along the sidewalk and installation of Asiatic jasmine at The Crossings entrance. Supervisor Lawrence stated he budgeted \$150,000 for the 2012 budget. Ms. Leister noted major line of sight issues in the community. She discussed potential savings in the irrigation and the cost of vine removal. Ms. Leister discussed the trees in the community that are dead due to disease.

******The meeting recessed at 1:17 p.m.******

******The meeting reconvened at 1:25 p.m.******

SIXTH ORDER OF BUSINESS

DISCUSSION ITEMS

E. Group Health Insurance (TL)

******This item, previously item 7E., was discussed out of order.******

Ms. Jordan Prosceno, from Corporate Benefit Advisors, presented group health insurance plans and discussed the differences between group plans and individual plans. She noted that the sponsor/employer of the group health insurance plan must pay at least 50% of the employee's premium as mandated by Florida state law. For dependents, the employer does not have to pay a portion of the premium. For group health insurance plans, 75% of the employer's population must accept coverage. She noted that all employees, working 25 hours or more, must be offered coverage. Discussion followed on the ability to hold group insurance plans and the difference between Point of Service (POS) and Preferred Provider Organization (PPO). Ms. Prosceno stated a referral is not needed with POS. She reviewed the provided Blue Cross Blue Shield (BCBS) plans and discussed the prescription medication plan. The Board discussed the existing employees with credible coverage and the possibility of having a group plan with one (1) employee on the plan. Ms. Prosceno noted that the provided price is the monthly cost, in which the employer has to pay at least 50% of the premium. Discussion followed on the provided quotes.

SEVENTH ORDER OF BUSINESS

REPORT: Field/Operations Manager

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

Mr. Kloptosky stated the design of the pergolas is being completed. He stated the permit for the Village Center stucco gate was obtained last week and the first phase of the stucco is complete. When the gates are installed, the contractors will return to complete the work. He explained that the contractor cut into the wall and water poured out from every location that was cut. Mr. Kloptosky noted the stucco work is only a band-aid and recommended the Board consider the project as part of next year's budget. He noted water bleeding out from other areas. Mr. Kloptosky explained the painter is going to seal the joints to help prevent future water from entering; however, he recommended having the building completely stripped and the stucco completed. He noted the sidewalk replacement is ongoing and the line restriping is being completed. Mr. Kloptosky noted the progress of the outfall repairs. He recalled a resident's request for a speed bump installed on the main street up to the Crossings' Gate.

Mr. Kloptosky noted the Aquatic Systems contract is up for renewal in June. He noted the price would increase from \$3,390 a month to \$3,453. Supervisor Davidson noted that the District receives a number of services through the contract. Mr. Wrathell stated the Board can consider the agreement at the April Board Meeting.

Mr. Kloptosky reported that the waste management contract for the Village Center was increased to two (2) pickups per week, which increased the contract by \$50 a month.

Mr. Kloptosky reported that Austin began the weed whacking at Pond 6, as authorized by the Board. He noted numerous phone calls from golfers complaining about the work. He noted he is awaiting a quote from Aquatic to complete the littoral shelf planting.

Mr. Kloptosky reported he contacted Ms. Donna Majouskis, a resident on Creekside Drive, and informed her of the options available for her fence. He recalled the options were to leave it as is, remove the sections up to the easements or apply with the ADC and complete work at her personal expense. He stated she requested a formal letter that outlined the options, on behalf of the District. The Board recommended Mr. Clark send the letter.

Mr. Kloptosky discussed the amenity maintenance line item, at 82%, as of the end of February. He noted items that were not budgeted fell into the line item and noted other expenses that would apply to amenity maintenance. Supervisor Chiodo requested a list of the additional items that were included in the line item. Mr. Wrathell noted that the budgeted line items allow

for an accurate budget to be created for the upcoming budget year. Mr. Kloptosky noted projects that were not budgeted and believed the projects need to be completed but would put the line item over budget.

Mr. Kloptosky noted issues with the gate and a technician confirmed that the issue is in the software, not the mechanics of the gate.

EIGHTH ORDER OF BUSINESS

DISCUSSION ITEMS

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

A. Updated Capital Improvement Plan (TL)

Supervisor Lawrence presented an overview of the funds spent on the capital items. He recommended not increasing the amount of \$428,738 over the following years. He noted that in the next couple of years, landscaping rejuvenation will decrease and road resurfacing will increase.

Mr. Wrathell recommended a CPI adjustment. Supervisor Lawrence noted the estimated figures are increased by 4% per year. He reviewed the provided capital improvement plan (CIP) and discussion was held on the cost of the potential projects. Supervisor Chiodo recommended the Board wait to confirm amounts until the District has started the projects in 2012. Discussion followed on the amount to budget for the CIP and the appropriate assessment amounts.

B. Ad Hoc Safety Security Fact Finding Group Security Report – Action Items – (MG) (write-up by Supervisor Gaeta to be provided under separate cover)

This item was deferred to the next meeting.

C. Report from GHMA Regarding Rentals, Gate Access and Town Hall Meetings (SD)

This item was deferred to the next meeting.

D. Town Hall Meetings (Supervisor Rotation) (TL)

This item was deferred to the next meeting.

E. Group Health Insurance (JP)

This item was discussed under the Sixth Order of Business.

F. Revised Performance Evaluation Compensation Process

Mr. Wrathell reviewed the performance evaluation compensation process exhibit and noted the revised exhibit reflects the correct percentage increase in salary and bonus. The concept is to have the ratio the same, on an annual basis. In order to keep the salary amount

under control, the salary percentage increases would get smaller and the percentage of bonus increase would increase.

Mr. Wrathell noted the review completed by the Board in which, currently, the Field/Operations Manager composite average was 4.6. He stated the salary remains in the first tier and the Field/Operations Manager salary change will take effect as of today.

NINTH ORDER OF BUSINESS

OPEN ITEMS

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

A. Crossings Road (SD/MK)

This item was deferred to the next meeting.

B. Pergola Replacement (BK)

This item was discussed during the Seventh Order of Business.

C. Town Hall Meetings (Supervisor Rotation) (TL)

This item was deferred to the next meeting.

D. Solar Report (BK)

This item was not discussed.

E. Development of Business Plan (BOS)

This item was discussed during the Third Order of Business.

F. Resident Directory (MG)

This item was not discussed.

G. Capital Improvement Plan (JP)

This item was discussed during the Eighth Order of Business.

H. Long Term Easement Policy

This item was not discussed.

I. Ad Hoc Safety Security Fact Finding Group Action Items

This item was not discussed.

J. Health Insurance Pricing

This item was discussed during the Sixth Order of Business.

TENTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

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

A. Discussion: Resident Directory (MG)

This item was deferred to the next meeting.

ELEVENTH ORDER OF BUSINESS

ADJOURNMENT

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

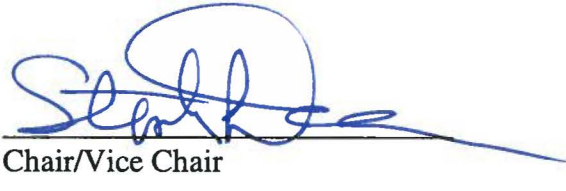
NEXT MEETINGS: April 21, 2011 at 9:00 A.M. (Shaded Meeting)

April 21, 2011 at 9:30 A.M. (Regular Meeting)

The Workshop adjourned at 2:37 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair