

**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, July 19, 2012 at 9:30 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting 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 (via telephone)	District Manager
Matt Kozak	Kozak, Hunt & Associates, LLC
Doug Paton	Kozak, Hunt & Associates, LLC
Scott Clark	District Counsel
Howard McGaffney	Amenity Management Group (AMG)
Barry Kloptosky	Field Operations Manager
Brenda Nichols	ABM Security Services
Cindy Gatzke	ABM Security Services
Louise Leister	Horticultural Consultant
Al Lo Monaco	Resident
Vic Natiello	Resident
Diane Layng	Resident
Richard Layng	Resident
Frank Mrakovcic	Resident
Lisa Mrakovcic	Resident
Patricia Williams	Resident
Vincenza Lo Monaco	Resident
Ginger Richards	Resident
Linda Struble	Resident
Val Rider	Resident
Alice Rumana	Resident
Mike Torre	Resident
Jim Mankowich	Resident
Gabriella Tuscano	Resident
Frank Tuscano	Resident
Sam Halley	Resident
Janet Search	Resident
Patrick Williams	Resident

Roy Search	Resident
Gloria Schleith	Resident
Rob Carlton	Resident and Master Association President
Ed Stezer	Resident
Danielle Todd	Resident
Tony Dos Santos	Resident
Vincent Marmo	Resident
Tony Dolce	Resident
Gary Noble	Resident
J.B. _____	Resident at 29 Osprey Circle
John Woika	Resident
Richard Thomas	Resident
Mr. & Mrs. T. Sweeney	Residents
S. Thress	Resident
Nan & Bill Stillman	Residents
Sharon Downes	Resident
Sally & Dennis Castellari	Residents
Carlo Cadet	Resident
Virginia Legge	Resident
Beth Fraioli	Resident
Margaret Matuszak	Resident
Betty & John Fitterman	Residents
Earl _____	Resident
Kathy McArdle	Resident
Richard DeCola	Resident
Charles Greer	Resident
Dee Glass	Resident
Richard Burns	Resident
Charles Trautwein	Resident
Jim _____	Resident
Chip Howden	Resident
Ken _____	Resident
Ken Heritage	Resident
Murray Salkovitz	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Kozak called the meeting to order at 9:35 a.m., and noted, for the record, that all Supervisors 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)**

Ms. Diane Layng, a resident, thanked the Board for their time, efforts and objective views in developing the proposed budget. She acknowledged that the Supervisors have not allowed themselves to be influenced. Ms. Layng thanked the Board for developing a budget that reflects the need for maintaining the community and keeping assessment increases at a minimum.

Mr. Sam Halley, a resident, noted when the developer left Creekside, it cost the CDD \$60,000 to convert the building from a sales office to the planned facility. He stated that the tennis courts were built with improper drainage, which cost the District money to repair. Mr. Halley advised that the District was charged between \$1,000 and \$2,000 per month to rent office space. He asked why the developer is allowed to have a sales office in Grand Haven and, if they are allowed to keep it, he feels that the District should charge \$800 per month per office, until they vacate. Supervisors Davidson and Lawrence stated that the developer owns the building. Supervisor Lawrence added that they have right, under the DRI.

Ms. Gloria Schleith, a resident, wished to speak regarding the Supervisor election that did not occur. She stated that she saw an ad in the paper regarding the “proposed election of people that are serving in Flagler County”. Ms. Schleith indicated that she asked Supervisor Lawrence why the residents do not know anything about the upcoming election and why nothing has been ‘put out’ in Grand Haven. Supervisor Lawrence told her that he believed something went out. Supervisor Davidson stated that the residents received notice.

Ms. Schleith indicated that she never received anything, at all. She then contacted Supervisor Chiodo who advised her of his belief that the District announced the vacancy earlier in the year, which he later confirmed. Unsatisfied with that, Ms. Schleith stated that she reviewed the March 15, 2012 meeting minutes. She read Resolution 2012-11 regarding placing candidates on the general election ballot and alleged that it was not signed by any Board Member or Management and that the matter went no further than the notation in the meeting minutes.

Ms. Schleith voiced her feeling that the CDD has always held elections and never had people appointed to the Board. She reiterated her allegation that the election process never went any further than an announcement in the meeting. She argued that residents have the right to vote for their representatives. Ms. Schleith suggested that the Board should represent the people,

not build the ‘Taj Mahal’ of tennis courts and only represent special interest groups. She concluded that this is “wrong” and the Board should be sorry.

Supervisor Davidson requested that the audience conduct themselves with civility and courtesy and refrain from yelling out, clapping or booing.

Ms. Ginger Richards, a resident, thanked Supervisors Chiodo and Pollinger for their continued support of the Sailfish Drive repair project.

Mr. Vic Natiello, a resident, stated that the District has spent a lot of money refurbishing the Firewise gates; however, the District lacks a plan for opening the gates, after hours or on weekends. He suggested that the Board appoint someone and develop a methodology for opening the gates.

Mr. Natiello advised that the Wi-Fi at The Village Center café does not work; it is a simple fix and he offered to repair it. He asked the Board to research this matter.

Mr. Roy Search, a resident, referenced a letter he received from Wells Fargo, containing a statement of “Not FDIC Insured” at the bottom.

Mr. Wrathell referred to the District’s balance sheet and explained that the District has money in treasury-based money markets, which are members of the Security Investor’s Protection Corp (SIPC). Mr. Wrathell stated that the money market accounts are invested with the U.S. Treasury and the money is backed by the federal government; furthermore, they are protected against fraud, etc. by the SIPC. He confirmed that all other District savings accounts are at, or below \$250,000, and are all FDIC insured.

Mr. Search reiterated his point that FDIC only insures up to \$250,000.

Mr. Search voiced his feeling that the Board is responsible for the safety and security of the community, in the following order: control, protect and regulate the financial activity of the community; maintain the infrastructure functions, repairs and replacements; maintain the appearance of the common property and maintain the functionality of the amenities. He stated that amenities and infrastructure are separate items; however, both are paid for through the infrastructure account, which he feels is not “good” accounting.

Mr. Search indicated that an Owners Advisory Committee was formed, years ago, to obtain input from the various villages. As this is not currently happening, Mr. Search recommended reestablishing a committee. He recommended also establishing a review committee to review the Board’s activity. Mr. Search stated, to his knowledge, none of the

construction work is bid; therefore, when a Board Member has an association with a vendor, that fact should be announced and the Supervisor should abstain from voting.

FOURTH ORDER OF BUSINESS**CONSULTANT, GUEST REPORTS & PRESENTATIONS****A. Security Gate Access Protocol: *Brenda Nichols/Cindy Gatzke, ABM Security Services***

Supervisor Chiodo advised that questions have been raised by residents and Supervisors regarding security procedures at the Main Gate. He explained that the practice has been for a resident to call the Main Gate asking to have the South or North Gate opened. Ms. Brenda Nichols, of ABM Security Services, denied that practice. Supervisor Chiodo asked what happens when someone calls from one of the other gates. Ms. Nichols advised that the call goes to the Main Gate phone and, if the call is from someone other than the mail carrier or paper delivery person, the person is instructed to call the resident. If the resident's number is not in the call box, then the person must enter at the Main Gate, with the guard calling the resident. Ms. Nichols confirmed that the guard will not open the auxiliary gates upon request.

Supervisor Chiodo asked the access procedure for vehicles arriving at the visitor's side of the Main Gate.

Ms. Nichols indicated the visitor is asked whom they are, who they are visiting and the courtesy call sheet is checked; if the person is not listed, the guard calls the resident. If the call is not answered, the visitor is instructed to pull around and wait, pending approval. After a time, if the resident does not respond, the visitor is denied access and logged into the Daily Activity Log (DAL) as being denied access.

Supervisor Chiodo asked if those with a placard or visitor's pass on display are allowed entry. Ms. Nichols replied affirmatively.

Supervisor Chiodo asked what the guard does if a guest arrives and just says they want to enter the community. Ms. Nichols indicated that the person is asked the purpose of their visit and directed accordingly; vehicles are logged in. Supervisor Chiodo questioned what happens if the person does not have a good answer. Ms. Nichols stated that the guard tries to deny entry. Supervisor Chiodo noted that, unfortunately, denying entry is not the correct procedure and this item will be discussed further.

Supervisor Lawrence asked for an explanation of how the Crossings and Wild Oaks Gates visitors are treated. Ms. Nichols indicated that those visitors are told the same thing; they

must call the resident on the call box and, if that cannot be done, the guard calls the resident and obtains authorization to allow entry.

Supervisor Chiodo asked about the level of employee turnover for the guards. Ms. Nichols indicated that it was solid, for a while; however, she lost a few long-term guards because they moved away or to better jobs. It has not been necessary to terminate anyone.

Supervisor Chiodo asked Ms. Nichols if she feels that the guard training program is good. She replied affirmatively and described the training program and spot-checking that is conducted.

Supervisor Davidson remarked that, often he does not see anyone in the guardhouse and he does not receive a greeting from the guards. Supervisor Davidson questioned if the guards are trained to welcome and greet people. Ms. Nichols replied affirmatively but noted that the guard may be attending to other responsibilities. Supervisor Davidson asked what other duties the guards are performing that would take them away from being outside and greeting people. Ms. Nichols stated that the guards might be cleaning, answering calls, completing the DAL, entering passes, etc. In response to Supervisor Davidson's question, Ms. Nichols confirmed that the guards could be more attentive if they had a computer database available to verify information.

Ms. Dee Glass, a resident, voiced her feeling that a resident entering should have more priority than a visitor; many times she is attempting to turn left and the guard is letting others enter, which could cause an accident.

Ms. Janet Search, a resident, reported an incident when she called the Main Gate from the Wild Oaks Gate to obtain access and the gate was opened with no questions.

B. Redirecting Flow of Traffic at Amenity Center and Creekside: *John Pattee, City of Palm Coast, Fire Marshall (10:30 A.M.)*

This item was not discussed and will be rescheduled to a future meeting.

FIFTH ORDER OF BUSINESS

BUSINESS ITEMS

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

A. Proposed Fiscal Year 2013 Budget

Mr. Wrathell reviewed the fiscal year budget process, noting this is a proposed budget. He referred to Page 19, containing the proposed assessments for Fiscal Year 2013. He explained the number of units and the proposed total change in assessments, from the current year, is an increase of \$77.97 for all units, with the exception of Hampton Golf, which will reduce by

approximately \$305. He noted that the figures assume assessment payments in March; however, if the payment is paid earlier, the amount paid will be less, as an early payment discount is offered.

Mr. Wrathell referred to Page 2 and reviewed the projected revenue amounts and sources for Fiscal Year 2013, as compared to Fiscal Year 2012. Mr. Wrathell referred to interest income and noted that the primary obligation of the District is to preserve capital, followed by interest earnings, as a secondary benefit, which is why the District's money is in FDIC insured or U.S. Treasury based money markets.

Mr. Wrathell highlighted the expenditure changes since the last meeting. Supervisor workshop fees were reduced from \$12,000 to \$11,000. Both the legal general counsel and the litigation line items increased from \$50,000 to \$65,000.

Supervisor Davidson asked District Counsel, Scott Clark to explain the R.A. Scott case. Mr. Clark indicated that R.A. Scott was a contractor hired by the developer, LandMar. LandMar filed bankruptcy and R.A. Scott filed a claim against the District alleging that funds are owed. The District is arguing that R.A. Scott's work in Wild Oaks was faulty.

Supervisor Davidson indicated that the initial suit is for \$450,000; however, with legal and court fees, the amount could be \$600,000, if the District does not win. This would amount to a \$316 special assessment per property owner. Mr. Clark indicated that the contractor came in late and the District withheld liquidated damages of approximately \$328,000. R.A. Scott in turn sued the District, the developer indemnified the District and agreed to pay its legal costs and any judgment. The District agreed to the arrangement; however, the developer then filed bankruptcy, leaving the District in the current position. The District countersued R.A. Scott for construction defects.

Supervisor Chiodo pointed out that a \$150,000 contingency is included in the reserve to address this matter but the District would prefer to spend nothing.

Mr. Wrathell discussed other expenditures, noting that the water services line item was increased from \$78,000 to \$109,000; however, Management is conducting an in-depth analysis on this to determine the reason water services have increased. He speculated that the District has irrigated more, due to the dry conditions, over the past few years. He noted that the landscape program is attempting to move towards plants requiring less irrigation. Supervisor Davidson indicated that the oak tree pruning line item should be increased to \$14,000.

Ms. Leister advised that the oak tree pruning costs includes more than just Waterside Parkway; it includes lifting of any other CDD oak trees within the community.

Mr. Wrathell advised that the movie license fee was removed. The special events line item was increased from \$6,000 to \$8,000.

Mr. Wrathell acknowledged community interest in the infrastructure reinvestment portion of the budget, which begins on Page 4. He noted that the highlighted items, in the right column, reflect what was discussed at the last meeting. He stated that Supervisor Lawrence has a prioritized list of CIP projects too, so the proposed budget is not completely consistent with his list. This section will be revised after the Board determines what projects it will address. He discussed the individual line items that were added and/or removed. Mr. Wrathell explained past unanticipated capital projects. Regarding revenues over expenditures, Mr. Wrathell pointed out that the District anticipates a deficiency of \$165,833 in Fiscal Year 2012 but \$161,044 over in Fiscal Year 2013, which nearly balances the two (2) years. Approximately another \$4,000 must be cut or assessments increased to completely balance the budget.

Mr. Wrathell reviewed the fund balance figures, noting projected committed reserve figures of \$500,000 for disaster recovery, \$150,000 for roads; assigned reserves of \$646,424 for three (3) months working capital, \$150,000 for litigation and unassigned reserves of \$245,533.

It was noted that the engineer information, on Page 8, must be changed to CPH Engineers, Inc.

Regarding the proposed budget, in relation to upcoming discussions, Mr. Wrathell indicated that, in the end, the District only has approximately \$305,000 to spend on infrastructure reinvestment, in Fiscal Year 2013.

1. Review of 2013 Capital Plan (TL)

- **Proposed Budget Additions:**
 - **Priority: “Must Do” Items**
 - **“Want to Do” Items**

Supervisor Lawrence reviewed the 3rd draft of the Grand Haven capital improvement program for Fiscal Year 2013. He noted that this is a compilation of the Board’s input. He explained that the items are prioritized by “must do” and “want to do” and further categorized by type, including A, safety and health - must do; B, preserve capital - must do; C, cost savings; D, aesthetics - nice to do and E, request. The highlighted items are items that were included in the 5-year plan developed last year.

Supervisor Davidson noted that the landscape renovations figure was reduced to \$60,000. Regarding funding to address the line-of-sight issues at Augusta Trail and Waterside Parkway, Ms. Leister advised that the issue is with the living wall; the wall will be reworked and cut back, at no cost, to resolve the problem.

In response to a question, Supervisor Davidson indicated that the repairs due to tree root lifting line item is for repairing common area sidewalks, throughout the community, that are being lifted by oak tree roots. He confirmed that this is to repair only the common area sidewalks, not the property owners' sidewalks. A resident questioned why residents must pay for their own sidewalk repairs when they were required to plant oak trees. Supervisor Davidson stated that street trees and sidewalks are the responsibility of each individual homeowner.

Ms. Leister advised that they will continue replacing with mp rotators in the hopes of reducing irrigation costs. She stated that the proposed budget includes \$20,000 for vine removal and discussed the importance of keeping vines under control. The landscape along Waterside Parkway has dying plant material that must be removed and replaced with low maintenance plants. Spartina was removed at The Crossings and replaced with different plants. The front bed at The Village Center was prepped for installation of an ornamental palm in front of the fountain. The planned work also includes Front Street mailbox seeding and vine removal, interior area landscape repairs in Wild Oaks, circle island work, etc.

Ms. Leister responded to questions regarding specific landscape projects around the community.

Ms. Leister discussed the proposed third flower rotation, indicating that money was previously saved by reducing the number of rotations to twice per year. She recalled advising the Board to hold funds in the reserve for a third rotation, should it be necessary. The past year was warm and the flowers did not last as long as hoped; for this reason, a third rotation must now be considered. In response to Supervisor Davidson's question, Ms. Leister clarified that the third rotation in the cycle will take place in the new fiscal year.

Ms. Schleith recalled her comments at the March meeting regarding the circle island in her neighborhood and asked why the flowers were removed. Ms. Leister explained that the Board decided that all of the islands should maintain the same theme, with the same plantings, etc.

Ms. Glass asked why the landscaping cannot be similar to the Halifax community. Ms. Leister noted that Halifax recently contacted her for assistance on changing their landscaping for more cost savings.

Mr. Halley questioned why \$109,000 is budgeted for water services, if the mp rotators are supposed to save money. Supervisor Davidson assured Mr. Halley that the District is reviewing this matter. Additionally, a portion is related to golf course reuse water for which the District receives \$34,000 from the golf course.

Ms. Layng asked if there is a reason why some islands have pavers and some do not. Ms. Leister indicated that the pavers and benches were added to make the islands usable and reduced landscaping-related costs.

Mr. Gary Noble, a resident, asked why Waterside Parkway curbs and gutters are listed under “wish list”, as \$5,000 and repainting lampposts is listed as another \$5,000. He stated that he thought the District’s maintenance staff was doing this work and reiterated his question of why it is on the “wish list”. Mr. Kozak indicated that the Waterside Parkway curbs and gutters were discussed at a previous meeting; it is under consideration but not in the currently proposed budget. Regarding repainting the lampposts, Mr. Kozak confirmed that this item is a “want to do” but is not in the proposed budget. Mr. Kozak advised that having on-site staff repaint is under consideration. Mr. Kloptosky stated that he does not currently have the manpower to complete this type of project, without sacrificing other work within the community. Supervisor Gaeta pointed out that the District only has two (2) full-time maintenance staff. Mr. Noble questioned what the maintenance staff actually does.

Supervisor Lawrence asked Mr. Kloptosky to provide a synopsis of the maintenance staff’s responsibilities, at the next meeting.

Supervisor Lawrence referred to the infrastructure renewal proposal and recalled a history, over the past few years, of unexpected things happening, such as the stormwater outfall issue, the ADA compliance requirement, etc. He recommended leaving \$50,000 unassigned to address unexpected expenses in the coming year. Supervisor Lawrence reviewed the “must do” items planned for 2013, throughout the community and at Creekside and The Village Center.

Regarding proposed security-related expenses, Supervisor Davidson pointed out that Grand Haven is not the same as it was; the community makeup is different, there are more renters and the current database/security system is archaic. The goal is to purchase hardware and

software to create a master database that is linked to Door King's database and SAACs, which will enable staff to easily verify any and all who utilize the facilities or enter the community.

Mr. Noble contended that this is really about people using the amenities. Supervisor Davidson disagreed. Mr. Noble stated that he spoke to five (5) of the ten (10) facilitators in Grand Haven who told him they do not see a problem.

Supervisor Lawrence continued reviewing the planned work and summarized that the "must do" subtotal is \$511,873. The District's currently proposed budget has \$466,927 to cover this work; therefore, the Board must cut \$131,646 in order to meet the budget. He concluded that the District will not be able to complete all of the "must do" items and recommended readdressing and reprioritizing the list, once a second opinion is obtained for The Village Center pool.

Supervisor Lawrence highlighted the "want to do" items, which totals \$86,700. He noted that the Sailfish Drive road repairs, of \$130,000, are to be funded from the reserve road fund. Supervisor Lawrence voiced his opinion that the District should seek the District Engineer's input on all roads, prior to commencing work.

Supervisor Chiodo pointed out that there is \$150,000 in the road repair reserve and completing the Sailfish Drive work would nearly wipe out the reserve.

Mr. Richard Burns, a resident and Croquet Club President, voiced his opinion that the District is wasting its time with budgets; residents must understand what a great deal they have with their assessment. He noted that other communities pay \$8,000 per year for what Grand Haven residents only pay \$1,800. Mr. Burns suggested increasing assessments to \$2,000 per year to cover the necessary expenses and build a realistic reserve. He pointed out that the increase would only be \$20 per month per property owner.

Supervisor Davidson reviewed the numbers and stated that the District is beginning with only being able to spend \$305,883, if the assessment discussed is maintained. This is because \$161,000 is to be repaid to the fund balance. Supervisor Davidson noted that there is nothing left to complete items on the "want to do" list.

Supervisor Lawrence commented that the level of capital expenditures is several times higher than it was a few years ago. He invited residents to attend future meetings to understand firsthand what needs to be done in the community.

******The meeting recessed at 11:22 a.m.******

****The meeting reconvened at 11:35 a.m., and audio was restarted at approximately 11:40 a.m.****

B. Development of BOS Policy Regarding the Removal and/or Addition of an Amenity to the Existing Amenity Package

- **Criteria for Adding or Eliminating an Amenity (TL)**
- **Proposed Criteria for Removal or Addition of an Amenity: Usage Analysis, Legal Considerations, Financial Considerations, Community Input (SD) (to be provided under separate cover)**

Supervisor Davidson stated that the Board is in agreement that a policy must be developed regarding removal or addition of an amenity.

Supervisor Chiodo voiced his opinion that usage statistics are vital input in this matter. He noted that the amenity manager provided input in the past; however, he feels that it is not robust enough. The District should start gathering information immediately, as a short-term evaluation is not sufficient to gauge usage. He supported the use of a survey tool sent to the entire community. Supervisor Chiodo discussed the development of the District's survey tool. He acknowledged that survey results are not a binding community vote; it is for input to the Board. Supervisor Chiodo noted that the input allows the District to profile the resident's amenity interests. He feels the survey may be better than having special interest residents, particularly pro or con on an issue, attend a meeting, which can be biased. Supervisor Chiodo feels that surveys will enable the Board to make more educated decisions on the residents' behalf.

Supervisor Lawrence feels that a policy, including community input, is critical. He requested that this matter be included at the budget public hearing and that the Board adopt a policy after a public hearing.

Supervisor Gaeta agreed that a policy is necessary. She disagreed with Mr. Noble's comment that half of the facilitators do not feel there are problems. She stated that she spent much time last week in disguise observing at The Village Center and found many things she witnessed to be appalling. She did not approach or report anyone; however, she found that many of the people using the facilities are not who the residents thought would be living in the community. She stressed that she wants a sense of safety and security in the community. Supervisor Gaeta advised that she regularly conducts ride-throughs of all Grand Haven communities.

Supervisor Gaeta reported on her conversation with the fire marshal regarding reducing the number of ingress and egress points into the facilities when the offices are closed. She stated that the fire marshal confirmed that the entry can be redirected when the office is closed.

Supervisor Pollinger noted that any rules adopted are binding and supports establishing a policy.

Supervisor Davidson summarized that there appears to be unanimous agreement and suggested that the Board continue the discussion at the next workshop. He asked the Board Members to forward any information that they would like to include in the policy.

Mr. McGaffney was asked to begin developing a plan to collect data for an amenity usage analysis.

Mr. Charles Trautwein, a resident, noted that many residents do not use the internet. He also feels that the District should cut the number of “double-dippers” in surveys. He recommended allowing one (1) response, per household.

Mr. Roy Search asked the Board to define infrastructure and amenity and questioned the difference. Supervisor Chiodo explained that infrastructure applies to any expense that is not a normal or operational expense. Mr. Search questioned if amenities will be paid for from the infrastructure funds. Supervisors Davidson and Gaeta noted that amenities are part of the District’s infrastructure; however, other items, such as roads, sewers, etc., are part of the overall infrastructure.

Mr. Jim _____, a resident, discussed the previously used ID card system at the tennis courts and asked why a similar system is no longer in place.

Supervisor Davidson reminded the audience that the current discussion relates to establishing a policy for the removal or addition of an amenity.

Mr. Chip Howden, a resident, voiced his support on this topic. Regarding statistical use or potential usage, he recommended speaking to other communities regarding how they implemented this type of policy. He feels that, similarly, the District should also evaluate whether to repair an amenity. Supervisor Davidson advised that the District is obligated to repair amenities.

Mr. Vic Natiello, a resident, acknowledged that some residents may not have computer access and recommended utilizing a computer at The Village Center for residents to use to complete the survey.

Mr. Ken _____, a resident, suggested establishing a certain expenditure amount over which residents would be given the opportunity to vote.

Mr. Burns commented that amenities should be repaired. Supervisor Davidson confirmed the Board's understanding that the District is responsible for maintaining the existing amenities.

Ms. Layng supports establishing a policy but pointed out that the District is obligated, under Statute 190, to maintain the existing amenities, before they deplete and/or add. Supervisor Davidson reiterated the Board's understanding of this matter.

C. Community Input: New Croquet Court

Speaking on behalf of the Croquet Club, Mr. Burns voiced his opinion that a small number of residents are using the croquet court matter to "rile up the people who live here, into a frenzy". He stated that the frenzy is to the point that it is pitting neighbor against neighbor and friend against friend. Mr. Burns noted instances of residents verbally attacking each other on the street, at the amenity facilities, in the Café, etc. He finds the situation disgusting.

Mr. Burns referred to an email that was sent on June 24, 2012 by J. Search, B. Cross and D. Cross. He indicated that the email contains false information. Mr. Burns reviewed the various incorrect items, including a statement that approval of a croquet court and parking lot on the schedule for an upcoming meeting. He discussed the estimated cost presented to the Board, versus the overstated amount in the email. He disputed the email's allegation of a "substantial" monthly maintenance fee for a croquet court, contending that cost amounts to \$0.29 per month, per homeowner. If this project is approved, Mr. Burns offered to reimburse \$0.30, monthly, to any property owner who seeks it. Mr. Burns stressed that Grand Haven is not a croquet, golf or tennis community, it is a "community". He acknowledged the statement in the email that only 1% of the community plays croquet but contended that less than 1% play tennis, as well; however, \$130,000 was just spent on the tennis courts. Mr. Burns asked the authors of the email where they were when the tennis court expenditure was being approved and why they have chosen now to speak. He pointed out that the email writers refer to themselves as the "99%"; however, they also account for less than 1% of the Grand Haven population, they are simply another 1% looking to excite the 99%.

The email suggests that Board Members with amenity organization affiliations should abstain from voting on the matters. Mr. Burns noted that District Counsel has already commented on the suggestion.

Mr. Burns reviewed the history of the croquet court matter. The current estimate is \$42,245, with 20% inflation factored in, bringing the total estimate to \$50,000. The Croquet Club's offer of \$15,000 towards the project brings the estimated CDD expenditure down to \$35,000. Mr. Burns noted that the alternative to building a new croquet court is to repair the existing courts; however, the proposed repair cost for the first court is \$12,000, not including drainage, and \$20,380 to repair the Creekside court. Mr. Burns advised of a possible sink hole forming on one of the courts.

In summary, repairing the existing courts would cost \$32,380, while the CDD expenditure to build new would only be \$35,000.

Ms. Janet Search, a resident, stated that the developer promised one (1) croquet court but there are two (2). She voiced her understanding that the Board did not want any private funding of any community amenities. Directing her comment at Mr. Burns, Ms. Search stated, "You can spit your \$15,000 right out because we do not want private ownership of something owned by the community. You got that?" Regarding Ms. Search's comment, Supervisor Davidson clarified that it was proposed by a single Board Member but the Board has not discussed it as a policy. In response to Ms. Search's question, Supervisor Davidson confirmed that, even if a group contributes money, the District would never turn over ownership; furthermore, if anyone builds an amenity on CDD property, they would be required to deed it to the CDD.

Ms. Search read from her July 18, 2012 email, adding additional comments, as follows:

"Before sending out the first "E" mail about my concerns of CDD spending, I did take time to question if I was doing the right thing. My only regret about the letter is that it should have been sent years ago.

Let's see where YOUR money is going

We put into the CDD About \$3 million dollars a year- this is where a lot of the money is spent:

Amenity Management Group - \$444,000 plus \$57,000 for operations and maintenance

Landscape Maintenance - \$529,000

Bond Payment - \$680,000

We are more than half way through our money and have not touched the many expenses and costs to keep Grand Haven running.

Landscape – For a cost of \$529,000, I believe they should be doing the job of our hired horticulturist. Since she was contracted to provide us with a landscape master plan, we should have the plan and she should be finished. How many more \$20,000 circle islands can we afford? And the idea of arbors at the tennis court. More maintenance and projectiles during a hurricane. We don't want or can't afford the projects the horticulturist has planned for us, and we don't need the cost of her on our payroll. And we are again giving her \$60,000 next year. Here come the pavers again. The Austin contract is up in January, they will be given a 3% increase, and it's time we start asking for more from our vendors. Times are tough, and if they want our business they need to fight for it. Grand Haven survived for 11 years without a horticulturist, I think we did pretty good. I suggest strongly that Austin take over the horticulturist duties.

Amenity Group -

Where do you even start? Tennis courts - Wimbledon does not have a facility like we have. The thousand of dollars spent on stone might look nice now, but wait until debris fills in and the stone discolors. A landscaping nightmare. This is a tennis facility that requires a significant amount of money to maintain, why did you spend a large amount on cosmetics? Were bids provided for the landscaping? Do we know where all of contract money is if we are not getting bids? Are they overcharging or is some of the contract money going to homes in Grand Haven? The tennis facility on LPGA Blvd., which hosts State championships, has just plain old ground around its courts. The courts work just fine.

Croquet Courts - we currently have 3. I would like to know the actual cost of maintaining these courts on a monthly basis. Why is the Amenity Group not maintaining them. We are paying them \$444,000 and that's not included in their amenity package? Is the cost of maintenance buried in the general cost of Grand Haven landscaping? Perhaps its time to close the court at the Village Center. If this court were closed what would our savings be per year? I have watched these croquet courts and if they were to spread their time out on the courts through the day, instead of all at one time, you'd have plenty of time because I go through there many, many times to see empty courts. Even the price to repair them, we

don't have that much money this year to get into all these prices. One thing I will say, on their behalf, they have a pretty pricey piece of equipment parked over at Creekside and it sits outside, not under shelter and not covered. I'm just horrified that this piece of equipment is out there and not even under cover."

Supervisor Davidson clarified that Ms. Search is referring to Austin's lawnmower.

Ms. Search contended that the District will pay for it "one way or another".

Ms. Search continued her statement:

"Also under amenities - The café at the Village Center. Could we possibly have figures as to whether the café is making money or not/ If it is not, maybe we should consider consigning it out. We would collect our rent money every month and the rest of the cost would be with the rentor. Also, is there an amount put on for the free lunches supplied by the café. I don't know how many lunches/dinners we are supplying to workers, I can just say that in a 45 minute visit to the café this week four workers were at a table, three lunches got passed over to the amenity center and that is only for seven workers and I know of other workers who are also getting free lunches. At just seven lunches for a five day period, that's \$8,400 per year. And I discounted it at half the cost of the menu. That's a lot of money we are putting out. I guess the term there is no free lunch doesn't apply to Grand Haven.

Special Events – do we have to provide food for events with a cost of \$5,000. With Grand Havens rental community continually increasing, our money should be used for the benefit of those who have a vested interest in the community.

Board Members, do you understand where we are coming from? Would you pay \$50,000 for a car if you didn't drive? Well, I am guessing that a large amount of the community is paying in excess of \$500,000 for amenities they do not use. Maybe those that play should begin to pay. Or, if not, you need to keep the cost of these amenities as low as you can, which does not include lavish landscaping plans designed by a horticulturist that doesn't have to pay for it. Is it too easy to spend other peoples money? Do you find it difficult to say no to a special interest groups? Do you feel that you owe it to certain vendors? We need an explanation, because from our point of view, your spending habits are in excess.

I would like to address some of the Board members. Mr. Pollinger, you were the first to respond to my "E" mail and I was very happy to get your email and the fact that you responded quickly showed me that you had true concern for our community. Mr. Chiodo, as always, you made yourself available to answer questions and to just be a good sounding board for many of us. Thank you. Mr. Davidson, you went beyond the call of duty and spent a lot of time with my husband and I. These are Board members who stood up and tried to address our challenges and I thank the three of you for doing that.

I would hope the Board looks at the wants and needs of the majority of the Community.

This is not a personal attack, it's just business.

I will summarize this very briefly. Improve the safety and security of Grand Haven for ALL of Grand Haven residents. Let's put a stop to needless, wasteful spending. We have spent more than enough on amenities. We have enough benches. We have enough pavers. We have enough landscaping. And, we have had enough of our money being spent where you want to spend it and not where we want to spend it."

Ms. Search indicated that she has signed statements from people requesting that, when approving budget items, the Board include items that will improve safety and security, not additional amenities and cosmetic enhancements.

Mr. Ken Heritage, a resident, asked how the Board would address the people who moved to Grand Haven because there was a soccer field, if it is replaced with a croquet court. Supervisor Davidson indicated this question is the reason the Board is working on a policy regarding the addition or removal of amenities.

Ms. Schleith stated that she is worried about the kids and asked what they are going to do.

Mr. Halley stated that he pays for a membership to the golf club and he feels that stuff like that should not be brought up at the meeting. He voiced his opinion that the outsiders are allowed to use the croquet courts and their fee is waived, which could be why the courts are worn out. Mr. Halley feels that those that want to play should pay the \$2,500 amenity fee.

Mr. Richard Thomas, a resident, voiced his opposition to the request for a new croquet court; he feels the District cannot afford it and he finds it a selfish request from less than 1% of

the Grand Haven community. He stated that he does not object to people playing croquet; rather, he objects to paying for their privilege to play. He noted that he paid \$10,000 for a golf membership and was refused a refund after suffering a stroke, which left him unable to play golf. He questioned residents being asked to pay for less than 1% of the population to enjoy their game of “batting that little wooden ball around”.

Mr. Thomas read a letter, on behalf of his neighbors, Joy and Don Griffin, who could not attend the meeting:

“Since moving here in 2000 we have seen three new tennis courts and new croquet courts added. We are now contemplating a third court. We are tired of paying for the few who indulge in these activities. It’s time for those who enjoy these amenities to pay for the upkeep of them. In every other gated community, tennis and golf residents pay an annual fee. Here they pay nothing, croquet people. Those who play golf here pay for that privilege and have watched the rates increase yearly, they have continued to pay even when the course was shut down for improvements. With our CDD rates going up in bad economic times, these few should not mind paying for their pleasure. So, in a nutshell, you want to play golf you pay for it, you want to play tennis or croquet, you pay for it.

Don and Joy Griffin”

Mr. Burns, speaking on behalf of the Croquet Club, reminded Mr. Halley and the others that golfers are not “members” of a golf club, they are customers of a company that owns a golf course. Supervisor Pollinger told Mr. Burns that he had his chance to speak and instructed him to sit down. Supervisor Davidson concurred.

Ms. Glass, voiced her disgust with all the requests for things. She asked that the Board not forget about the children living in the community.

Ms. Betty Fitterman, a resident, commented that the community must remember that every amenity that is beautiful, well kept, safe and available for use increases the value of each and every home; it is not a matter of a little fussy thing here or a silly thing there, it is adding to the value of the homes. She asked if any information on the arrests this week related to thefts is available. Supervisor Davidson indicated that this question is off topic and the Board does not wish to respond to it right now. Ms. Fitterman asked when assessments were last increased.

Mr. Trautwein stated that this is nonsense. He feels that the issue is whether the District has the money. He does not mind having a second croquet court but the real question is can the District afford it.

Mr. Murray Salkovitz, a resident and speaking as the Chairperson of Neighborhood Watch, stated that he does not care whether the community gets a croquet court. He cares about whether the District spends money on security. The Board must consider installing a system so amenity users can be identified.

Mr. Howden commented that the entire CDD budget, in relative terms, is small.

Supervisor Pollinger noted that his wife has been bombarded with emails, many of them nasty, regarding the croquet court, and asked that residents stop sending emails to his wife's email address. Emails to Supervisor Pollinger should be sent to jfp187@me.com.

Supervisor Gaeta suggested that residents direct their emails to the District Manager so that all Supervisors would have the opportunity to view the emails. She reminded the public that the Supervisors cannot speak to each other outside the meeting. She asked that, rather than just sending emails to Supervisors Chiodo and Lawrence, that they send them to the District Manager.

D. Maintenance Special Assessment Agreement

This item was discussed during the District Counsel report

E. Possible Elimination of Call Boxes

- **Benefits/Losses**
- **Door King/Master Database Reports Now Available for Review**

This item was not discussed.

F. Consideration of Special Services Agreement from Aquatic Systems, Inc., for LAKEWATCH Water Sampling (BK)

This item was discussed later in the meeting.

SIXTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

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

A. Approval of Minutes

- **June 7, 2012 Community Workshop**
- **June 21, 2012 Regular Meeting**

Supervisor Davidson presented the June 7, 2012 Community Workshop and the June 21, 2012 Regular Meeting Minutes and asked for any additions, deletions or corrections.

B. Approval of Unaudited Financial Statements as of June 30, 2012

Supervisor Gaeta suggested that the community maintenance line items be rolled into a single line item, as well as rolling the aquatic contract line items into one. Mr. Kozak confirmed that those items can be collapsed, per Supervisor Gaeta's suggestion.

Supervisor Gaeta asked that Hampton Golf's name be removed, as it is not needed.

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

SEVENTH ORDER OF BUSINESS

STAFF REPORTS

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

A. Amenity Manager's Report

Mr. McGaffney noted that many of the issues discussed today have never come to his attention until today, during this meeting. He asked that residents and Supervisors please contact him with any questions or concerns.

- **Data Solution**

Supervisor Davidson indicated that the data solution was communicated to the Board by Mr. Deary, of AMG, regarding potentially adding a warranty expense to the proposed data hardware/software solution. He advised that this item is included in the proposal so it is not necessary to discuss this item, as it is no extra expense to the District.

B. District Engineer

Mr. Kloptosky indicated that the District Engineer has expressed his concern about "jumping into" what the Board is requesting, regarding certain issues discussed. The District Engineer would like clarification or specific direction on what he should focus on.

The Board directed the District Engineer to evaluate the Sailfish Drive issue and investigate the condition of The Village Center pool. Mr. Kloptosky was directed to obtain a quote from another pool contractor.

Supervisor Chiodo felt it is important for the District Engineer to attend the next meeting, in order to develop criteria for the road resurfacing work, etc.

Supervisor Chiodo suggested that the District Engineer evaluate the current croquet court and determine the cost to repair it.

In response to a question, Supervisor Davidson indicated there will be three (3) more opportunities to discuss the budget.

C. Field/Operations Manager

- **Elliptical Equipment (BK)**

Mr. Kloptosky discussed the emails regarding the elliptical equipment. He obtained a quote of \$4,695 for a Precor machine and \$3,695 for a Landice machine. Price and warranty were considered in purchasing the Landice machine; with Landice carrying a five (5) year warranty and the Precor having a two (2) year warranty. He acknowledged that not all will be happy with the selection.

A resident suggested that the District consult a rehab center or the YMCA for recommendations of equipment for certain types of physical conditions, prior to purchasing new equipment. He commented that he sees very few people using the available equipment. Mr. Kloptosky noted that the supplier is knowledgeable and is consulted on the equipment.

Mr. Kloptosky reported that the new Wild Oaks weir is beginning to erode. He contacted the city regarding the matter and will address it.

Mr. Kloptosky indicated that he identified additional parking lot issues at the Creekside parking lot and provided pictures. Conditions are worsening and must be repaired. Mr. Kloptosky recommended consideration of this as a capital project. He obtained preliminary proposals from S.E. Cline for \$8,000 to complete the necessary repairs. He noted that this is a patchwork remedy. Cline can provide a quote to redo the entire parking lot. Mr. Kloptosky confirmed that the \$8,000 does not include removal of the large oak tree that must be removed. Supervisor Chiodo recommended that the District Engineer evaluate the project.

A resident asked if Cline was being given the work or if bids would be obtained. Mr. Kloptosky indicated that Cline is generally selected because, historically, they have always been the lowest bidder and they are available and reliable. Mr. Clark advised that competitive bids are required when work is over a certain threshold, and bidding out every project would significantly slow the smaller projects. Mr. Kloptosky stressed that he works to obtain the best prices.

Mr. Kloptosky indicated installation of the streetlight was completed. The Marlin Drive sheds were delivered, secured and they passed the city's inspection. Road repairs at Ibis Court South are due to commence on Monday and will last four (4) to five (5) days. Mr. Kloptosky

discussed the LED streetlight matter. The District's electrical contractor will perform a test of one (1) light to evaluate potential savings.

D. District Counsel

Mr. Clark presented a model emergency disaster debris management service contract for piggy-backing on contracts. He explained that the agreement authorizes the District to piggy-back on the city's contracts.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, accepting the model Emergency Disaster Debris Management Service Contract and applying it as necessary for the District to piggy-back on the city's contracts, was approved.

- **Developer Bankruptcy**
- **R.A. Scott Litigation Update**

Mr. Clark requested that the Board hold an attorney/client session as quickly as possible, regarding the R.A. Scott matter. He recommended holding it at 9:00 a.m., prior to the next meeting. He advised that it came to his attention that change orders, which the District paid were never signed by the District; most were not discussed during meetings. He is concerned about a large change order related to rough grading of lots, which is developer work, not District work. He plans to amend the complaint to include these types of items.

Mr. Clark confirmed that the session must be advertised and a court reporter must be present.

The Board directed advertisement of a shaded attorney/client meeting to take place on Thursday, August 16, 2012 at 9:00 a.m.

- **Rule Changes**

Mr. Clark indicated that rule changes regarding fishing in ponds were revised and, if approved, they are ready for public hearing. Supervisor Gaeta referred to a section on renters and asked how the rules can be enforced if the District does not have a copy of the lease agreement. Mr. Clark indicated that, without a written lease agreement, the BUR could not be assigned, so the person would not have the user rights, absent the lease.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, the rule changes, as presented, and setting a public hearing to coincide with the budget public hearing, was approved.

Supervisor Davidson directed Mr. Kloptosky to order additional no trespassing signs.

- **Cullis Agreement**

Mr. Clark reminded the Board that the maintenance special assessment agreement is still pending and must be addressed prior to the budget adoption.

Supervisor Davidson discussed a meeting he attended with Forrest Park residents regarding the proposed Senior Care facility. He will meet with Mr. Cullis next week to determine the status of the project. In anticipation of the meeting, Supervisor Chiodo asked the Board's permission to negotiate with Mr. Cullis regarding the maintenance special assessment agreement and what the District would like in return for signing the agreement. The Board discussed items, including the use of the Grand Haven logo. Mr. Clark stated that the District would be asking him to recognize the District's right to use the logo. Mr. Clark will email the agreement to Mr. Cullis.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, authorizing Supervisor Davidson to negotiate with Mr. Cullis regarding the maintenance special assessment agreement, was approved.

- **Engineer Agreement**
- **Status of Disaster Recovery/Monitoring Agreements**

This item was previously discussed.

Supervisor Davidson referred to the LAKEWATCH sampling contract. He reported that he received word that restrictions on tilapia may be softened and the District may be able to stock them. A test lake might be stocked and monitored. He stated that he was advised that no other Districts pay to have their lakes sampled and there is no liability insurance coverage provided by LAKEWATCH on the District if it has volunteers monitor the lakes. Supervisor Lawrence feels it will be difficult to find enough volunteers to adequately monitor the lakes. This item was continued to the workshop. Mr. Clark noted language issues to be included in the agreement and asked to review it prior to completion.

E. District Manager

- **Next Community Workshop/Regular Meeting**
 - **COMMUNITY WORKSHOP**
 - **August 2, 2012 at 10:00 A.M.**

Mr. Kozak noted that the next workshop is scheduled for August 2, 2012.

- **BOARD OF SUPERVISORS MEETING**
 - **August 16, 2012 at 9:30 A.M**

The next regular meeting is scheduled for August 16, 2012 at 9:30 a.m.

EIGHTH ORDER OF BUSINESS

OPEN ITEMS

Supervisor Davidson advised that the Oak Tree will publish an article about the Crossings Road project. The only thing remaining is paying the District's portion.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Lawrence asked that an operational plan item, the Café Wi-Fi issue and electronic gate option for checking amenity cards be included on the next workshop agenda.

Supervisor Gaeta asked that the redirecting flow of traffic item be included on the workshop agenda. Discussion ensued regarding this matter and what is necessary.

Supervisor Lawrence asked Mr. Kloptosky to let the Board know, at the workshop, when the GAD deactivations will commence.

Mr. Kozak Mr. Kozak noted that the next workshop is scheduled for August 2, 2012 at 9:30 a.m., and the next meeting is scheduled for August 16, 2012 at 10:00 a.m.

TENTH ORDER OF BUSINESS

ADJOURNMENT

There being no further business, the meeting adjourned.

<p>On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the meeting adjourned at 1:40 p.m.</p>

Secretary/Assistant Secretary

Chair/Vice Chair