

**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, September 20, 2012 at 9:00 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137**. The Regular Meeting began at 3:00 p.m., with the Public Hearings commencing at 5:00 p.m.

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	District Manager
Scott Clark	District Counsel
Brett Markovitz	District Engineer
Howard McGaffney	Amenity Management Group (AMG)
Barry Kloptosky	Field Operations Manager
John Stroke (via telephone)	Dolphin Technical Solutions
Tony Gaeta (via telephone)	Dolphin Technical Solutions
Jim Cullis	Grand Haven Realty
Al Lo Monaco	Resident
Ginger Richards	Resident
Linda Struble	Resident
Janet Search	Resident
Vic Natiello	Resident
Lisa Mrakovic	Resident
Brenda Gerber	Resident
Pat Maloney	Resident
Dick Layng	Resident
Judy Reese	Resident
Terri Langan	Resident
Betty Beveridge	Resident
Tom Pruitt	Resident
Dave Reisman	Resident
Gloria Schleith	Resident
Kathy Rybacki	Resident
John Rybacki	Resident
Art Gannon	Resident

John Woika	Resident
Marietta Marchio	Resident
Deborah B. Laury	Resident
Jerry Kagan	Resident
Murray Salkovitz	Resident
Joe Mulhall	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell reconvened the continued meeting at 9:05 a.m., and noted, for the record, that all Supervisors were present, in person.

Mr. Wrathell indicated that the private attorney-client session is closed to the public.

SECOND ORDER OF BUSINESS

Close Continued Meeting/Commence Private Attorney-Client Session

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

<p>On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the Continued Meeting was closed and the Private Attorney-Client Session commenced at 9:07 a.m.</p>
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THIRD ORDER OF BUSINESS

Close Private Attorney-Client Session/Reopen Continued Meeting

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

****The Private Attorney-Client Session was closed and the Continued Meeting reopened at 9:36 a.m.****

****The meeting recessed at 9:39 a.m.****

****The meeting reconvened at 9:48 a.m.****

Mr. Wrathell noted that all Supervisors were present at the reconvened meeting.

FOURTH ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

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

All present recited the Pledge of Allegiance.

FIFTH ORDER OF BUSINESS

**Consideration of Necessary Actions
Resulting from Private Attorney-Client
Session**

Mr. Clark indicated that mediation in the R.A. Scott case was held on Monday. He explained that, when LandMar controlled the District, the CDD engaged in a contract with R.A. Scott for the subdivision improvements in Wild Oaks. The developer coordinated and ran the project with R.A. Scott. Mr. Clark noted that the work was rocky and behind schedule. Due to the delays, the Board was asked to withhold \$328,000 from the final payment, under a liquidated damage clause in the contract. The Board agreed to withhold the amount, on the condition that LandMar give an indemnity for any damages and agree to pay legal fees incurred by the District as a result of the actions. LandMar agreed and all documents were signed. In the interim, LandMar filed bankruptcy and the indemnity documents were worthless. Subsequently, as R.A. Scott knew that LandMar could not pay, they sued the District. The lawsuit claimed the right to recover the liquidated damages in the amount of \$328,000. R.A. Scott also claimed that there was an oral agreement between the District and themselves to keep dirt from the site and that they were entitled to an additional \$150,000 for the dirt.

Mr. Clark indicated that, as of Monday's mediation, R.A. Scott's claim, with calculated interest, was \$600,000. The action was scheduled for trial in mid-December, with this court ordered mediation taking place prior to trial. He explained that the Board designated Supervisor Chiodo and himself to attend the mediation to represent the District's interests. The District previously set aside a \$150,000 reserve for this case. Mr. Clark stated that he negotiated; however, Florida law dictates that the negotiations remain confidential. He reported that a proposed settlement of \$200,000 was negotiated. Mr. Clark indicated that he advised the Board to try settling the lawsuit, as he feels that the District would spend at least another \$100,000 in legal fees related to trial, money which is not recoverable. Additionally, it is likely that R.A. Scott would recover something at trial, even if the District won, due to miscalculations in the damages. Mr. Clark advised that, if the District did not win at trial, it could face a \$600,000 judgment, which would result in levying a special assessment on the residents.

Mr. Clark noted that, at the time these events occurred, the developer controlled the District, the Board and influenced the District Engineer and District Counsel, meaning that things may have been handled differently than how the current Board and Staff would do things.

Mr. Clark stated that the current Board can only face what is before them and must determine whether to settle or face the uncertainty of a trial judgment.

Mr. Clark presented a settlement agreement for the Board's consideration. The agreement calls for mutual releases to be exchanged between the parties and for the case to be dismissed, with prejudice, meaning the case would be finished.

Supervisor Davidson indicated that the Board thoroughly discussed and considered this situation during today's and previous attorney-client sessions and this is the best solution. He reiterated that \$150,000 was previously set aside for this matter.

Supervisor Chiodo noted that the Fiscal Year 2013 budget contained \$60,000 for litigation costs, which will not be incurred and would go towards paying back the reserve tapped to fully pay the settlement amount.

Supervisor Lawrence voiced his feeling that this is the best option, as the current Board is at a disadvantage, due to the developer's prior actions. He felt that settlement removes the risk of paying more, as a result of trial.

Supervisor Gaeta noted that, as a result of settlement, the District will no longer incur legal costs related to the lawsuit.

Mr. Wrathell opened the floor to public comment on this subject.

Mr. Jerry Kagan, a resident, pointed out that Mr. Jim Cullis took over the declarant rights and asked if the District has recourse against Mr. Cullis because he now has LandMar's rights. Mr. Clark replied no; the developer entity's debts were discharged in bankruptcy and Mr. Cullis bought assets but is not successor to the entity. The District has a claim in bankruptcy court but it is not a lot of money.

Mr. Dave Reisman, a resident, asked if it is safe to assume the District will not conduct business with R.A. Scott in the future. Supervisor Davidson pointed out that R.A. Scott will likely not want to work for the District.

<p>On MOTION by Supervisor Gaeta and seconded by Supervisor Chiodo, with all in favor, settlement with R.A. Scott, in the amount of \$200,000, was approved.</p>

****Mr. Clark left the meeting.****

SIXTH ORDER OF BUSINESS**BUSINESS ITEMS****A. IT Infrastructure Reinvestment****• Review of Proposed Agreements**

Supervisor Lawrence stated that he supports the overall concept of a better understanding of who is using the District's amenities and identifying who is renting. He noted that he has concerns with Dolphin Technical Solutions' proposal, as it is a large project; he wants to understand where the money is being spent and how it will help the District achieve its objectives.

Mr. John Stroke, of Dolphin Technical Solutions, indicated that his company is three (3) years old; he is the owner and president of the company. He has two consultants, Mr. Tony Gaeta and Mr. Wayne Sheh, working on this project. Mr. Stroke explained that Mr. Gaeta has worked in this business for a long time and Mr. Sheh is the network engineer. Mr. Stroke detailed Dolphin Technical Solutions' experience, areas of expertise and client base.

Mr. Stroke and Mr. Gaeta reviewed the IT work completed, services provided and costs, to date, and the status of the District's technology system. Mr. Gaeta stated that Dolphin Technical Solutions has been heavily involved, working with Board Members, Staff, vendors and residents to ensure that the data solution meets the District's requirements. Mr. Stroke and Mr. Gaeta explained their findings, recommendations and the necessary equipment.

Mr. Stroke addressed Supervisor Lawrence's questions regarding software and hardware costs and whether there are less expensive means. He presented a breakdown of the necessary software and hardware, the anticipated costs and the quantities needed. Mr. Stroke referred to a diagram and noted the equipment locations.

Supervisor Davidson noted that the new system will allow for real time updating of information.

In response to Supervisor Gaeta's question, Mr. Gaeta explained the interaction of the Door King and the District's databases. He confirmed that all District data, etc. is protected by the firewall; while still allowing residents internet access at the amenity facilities.

Supervisor Lawrence pointed out that the schematic includes a new computer for scanning at The Village Center; however, the proposal does not include costs for the new computer. Mr. Gaeta indicated that the new computer is on the proposal under hardware and software for new desktops. Supervisor Davidson stated that there will be four (4) new computers.

Supervisor Lawrence questioned why two (2) scanners are needed at each location. Mr. Gaeta indicated that the quantity is based on the District's request. Supervisor Davidson advised that two (2) are needed in case one (1) is not working.

Mr. Gaeta referred to Supervisor Lawrence's question about the \$18,000 labor charge in the proposal. He indicated that the labor costs include development and customization of software, as well as three (3) weeks of on-site labor during installation and training. Mr. Gaeta explained that, once approved, equipment will be ordered and he anticipates completion of the project to take approximately 45 days.

Referring a comment by Mr. Gaeta that sorting the District's current data will be a difficult task, Supervisor Lawrence asked why it will be a hard project. Mr. Gaeta discussed the problems and inconsistencies with the District's current Excel spreadsheet format.

Regarding staff training, Supervisor Lawrence asked if Dolphin will need to hold trainings for new employees or if an operating manual will be available. Mr. Gaeta indicated that, after the initial on-site training, a manual will be provided.

In response to Supervisor Lawrence's question regarding keeping the system updated and the cost to do so, Mr. Gaeta advised that most software is updated automatically by the manufacturer. Mr. Gaeta confirmed that Mr. Kloptosky's computer will also be updated with the necessary software; all CDD computers will have the same functionality.

Supervisor Lawrence noted the hardware and software costs and asked if the costs listed are the purchase price or if the price is marked up. Mr. Stroke indicated that Dolphin Technical Solutions is buying the hardware; there is very little upcharge on the hardware, itself; however, there are labor costs for building each computer. Supervisor Lawrence questioned if those labor costs are in addition to the other labor costs. Mr. Stroke indicated that the computer labor is not a part of implementing the solution. It was noted that another company is hired to build the computers. Supervisor Chiodo asked for a clear answer regarding whether there is an upcharge on the costs the District is paying. Mr. Stroke and Mr. Gaeta replied affirmatively; the upcharge is for the labor to put it in. Mr. Gaeta explained that the proposed cost is the aggregate of the hardware and software prices, including the labor costs to create the workstation. Mr. Stroke stated that the additional \$18,000 labor costs are for him, Mr. Gaeta and Mr. Sheh's on-site work implementing the data solution. Mr. Gaeta conceded that the District could purchase the software at a lower price; however, additional labor costs for installation would negate those savings.

Supervisor Lawrence questioned if there is a cheaper solution for the guard house or what benefit there is to upgrading the guard house system, other than just to access information that was previously supplied in list format. Supervisor Gaeta voiced her opinion that the upgrade is necessary for the guard house because the list is not in real time, meaning, it is outdated, as soon as it is printed. Mr. Gaeta indicated that the upgraded system will alleviate the need for a weekly list; the guard can instantaneously access information on the computer, rather than needing to refer to a list. The guard house computer will also be used to review the DVRs. Supervisor Chiodo voiced the Board's understanding that printed lists would no longer be necessary but the question is whether the guard house computer needs all of the same functionality as the others, as it is only meant to be used to look up information in the database. Mr. Gaeta replied yes, it does; the client application is the same on all of the computers. Mr. Stoke asked if the guard house needs the ability to send and receive email and, if so, then it must have the same functionality.

Mr. Gaeta addressed Supervisor Lawrence's question regarding whether there is a solution other than replacing all of the DVRs. Mr. Gaeta stated that there is no other solution; as the current DVRs are very old. Supervisor Lawrence asked the life expectancy for the new DVRs and software. Mr. Stoke indicated that it depends; the price quoted is for high-quality analog DVRs that are compatible with the current cameras, which are not being replaced. The new system will be much better than the current. Mr. Stoke advised that, once the cameras are replaced with higher resolution cameras, the system will need to be recabled. Mr. Gaeta explained that, if the District wants high-resolution cameras, the new DVRs would need to be replaced. Mr. Gaeta discussed the DVR capabilities.

Supervisor Chiodo questioned if the proposed scope of services is more than what is necessary and whether there is another, less expensive option. Mr. Gaeta and Mr. Stoke explained that the proposed system is similar to an HOA they researched and this system seems a good fit for what the District wants to accomplish. Supervisor Chiodo asked for an estimate of the ongoing maintenance costs for the system. Mr. Gaeta felt that the maintenance costs would be minimal, perhaps \$1,000; most hardware comes with a three (3)-year warranty, the software comes with automatic updates and licensing is a straight purchase. Discussion ensued regarding the options, benefits and limitations of the proposed package.

Supervisor Chiodo questioned the cost to integrate the new system with a gate access system operating with the smart amenity access cards (SMAAC). Mr. Gaeta advised that it is possible to do but he must research it to determine the cost.

Supervisor Pollinger noted that he was not overly enthusiastic about this project, as he was not convinced; however, he is now convinced that the expenditure is necessary, it is cost effective and he is satisfied that all of his questions have been answered. Supervisor Chiodo stated that he has been in favor of the concept but his questions were regarding the costs; however, the answers to his questions have improved his view and he would like the project to begin. Supervisor Lawrence voiced his support for the concept and, as his questions have been answered, his comfort level is higher. Noting that the District is a good customer, Supervisor Lawrence urged Dolphin Technical Solutions to consider economy of scale in terms of their costs. Mr. Stroke asked the District to let him know if there is a budget amount in mind, as the project can be adjusted to meet those needs. Mr. Gaeta stated that the manpower per hour rate has already been cut significantly, compared to similar jobs. Supervisor Lawrence clarified that he was not suggesting a cut to the scope of work; he simply wants an assurance that they will make every effort to bring the project in under the projected cost. Mr. Gaeta replied voiced his understanding.

Supervisor Gaeta read the following into the record:

*"I wish to extend my sincere gratitude to Supvr. Chiodo for assembling an ad hoc committee relative to Safety and Security earlier last year. I also wish to thank all the residents who contributed and participated in that effort. And, I would be remiss if I failed to also thank Chairman Davidson for the countless hours and detailed explanation of the IT/IR project and also to the Board for **all** of their input. Last, but not least, thank you Dolphin for your comprehensive and "user friendly" presentation to our community!"*

I WANT TO STATE FOR THE RECORD THAT I FULLY SUPPORT THE IMPLEMENTATION AND SOLE SOURCING OF THIS PROJECT! *We, as a Board were elected and took an oath to maintain and preserve the integrity and infrastructure of the GH community.*

One of our primary responsibilities includes the safety and well-being of our residents. The current equipment at the CDD office, the nucleus of our Community and Guard house is antiquated and cannot support the everyday functions and requirements necessary to maintain a community the size of Grand Haven. If our goal is to operate the GH community in an efficient manner,

which incorporates the issue of safety and security, the current system needs to be updated.

*In light of everything mentioned above, I also realize that there appears to be a conflict of interest relative to Dolphin Technical Solutions, as my son is a consultant to this Company. As a result, I have chosen to recuse myself from voting in favor of the agreements under discussion, because as stated in and during my campaign as well as over the past 1 1/2 years serving on this board, **I AM A WOMAN OF INTEGRITY!**"*

Mr. Wrathell indicated that correspondence was received from two (2) residents and read the following into the record:

Dear Craig,

I am unable to attend the CDD Board Meeting on Thursday, September 20, 2012. I respectfully request that this preface and the following letter concerning funding allocation for purchase and implementation of new information technology to provide safety and security to the Grand Haven community be read into the record.

GRAND HAVEN BOARD OF SUPERVISORS

For over the past year, a great deal of research, detailed discussions, planning and professional services have created a plan to finally use modern day information technology to provide the residents of Grand Haven with advanced security and safety.

I have read and reviewed many of the detailed plans and line-item budgeting for a community-wide, linked and interactive process to achieve those two strategic goals. At the Board meeting, Thursday, September 6, I along with all residents attending that meeting, were vocal in our full support of the budgeting plan to move forward and were proud of the unanimous vote of all Board Supervisors to approve over \$60,000 to fund the program in the 2013 budget.

Why then is the Board revisiting the decision made unanimously and seeking data and detailed information about the equipment and process implementation when all of that has been available to them for months and months in several forms?

*It is time to stop politicizing what is a desperate need for the welfare of the citizens of Grand Haven. Rather, stand by the resolutions made and the vote of the Board and let's move on...**NOW**.....*

Finally, as a former vice president of IBM and other information technology providers , I can tell you from past experience that a complex project like the one to be undertaken by the Board can only be done by a single, sole-sourced, experienced company with a proven track record of doing this kind of work while assuring that the project remains on budget.

In short, I urge the Board to move forward rapidly to contract with Dolphin as our sole source provider, and advance as quickly as possible to implement the proposed modern system of ensuring safety and security for residents.

Donald Newman

28 Jasmine Drive

Riverwalk Village

Grand Haven

In God We Trust”

Mr. Wrathell read the following into the record:

“To: Grand Haven CDD

From: Chip Howden, Resident

Re: Infrastructure Replacement / Repair – Gate Access / Smart Cards / IT Project.

I will be out of town during the upcoming Continued Meeting and understand the above topic will be discussed. Please provide memo or its contents to the Supervisors and meeting attendees.

Since the first houses were built in Lake Haven over 15 years ago, we have witnessed the continued problems with our infrastructure and have spent thousands of dollars correcting outfalls, tennis courts, amenity buildings, road, etc. I am please that the Board is finally addressing another major issue of record keeping, access and security. This project appears to be less costly that the others mentioned above. The adoption of Beneficial User Rights was an important first step. I urge the board to move ahead on the next phase which involves all of the data storage, interconnectivity, and access devices. Although I have missed some

meetings or part of meetings on the subject, I have followed the agendas and minutes over several months.

Please consider the following:

Timing

What we have appears to be broken and thus more time spent using it is a waste of resources and money. We need to notice everyone (residents, renters, realtors, vendors and others) that we are going to tighten up soon and significantly. We must have the data in place in a usable form to do this. Review of the minutes and comments seems to indicate that the Board has been through the vetting process of vendors, including admission by some that they could not handle the project.

IT Portion

I come to you not as an IT expert, but with the experience as a project manager in one of the nation's largest public utilities, who has been responsible for the negotiation, implementation, and ongoing operation of major multi-million dollar outsourcing projects that involved a significant number of data interfaces. The IT resources were an integral part of that team. In my professional opinion, there are only three ways to prevent failure, frustration, and waste in a project like the one facing the District. (1) Single Source the project, (2) hire an employee to manage the project and drive the vendor work process in conformity of carefully worded contracts, (3) Contract with one vendor to control the project and require indemnification to the District for any results that do not work together (put them in charge of the other vendors). I don't think the District is in a position to select the last 2 options.

Other Considerations

Amenity access: As I understand, because of our Bonds, expense of fences, roving patrols, etc., we cannot totally secure the community perimeter.

- (a) Putting card control gates at the Village Center would not only be expensive and not protect much but the pool and exercise room, but would in my opinion destroy the appearance and the appeal of the facility. Let the facilitators do their job. If we worry about them getting around we can place card type chips at a few strategic locations and have them scan these as they would the card of an individual.*

(b) Evaluate the early and after hour effectiveness and economics of electronic gates at Creekside vs. employment of a facilitator during those times.

Future control of records: The District needs to establish a routine audit process of our data. After the mass conversion (which should have its own audit) one approach might be that a list of monthly data changes should be reviewed and signed by the Operations Manager and one of the Supervisors. The Supervisor participation should rotate monthly.”

Mr. Vic Natiello, a resident, spoke as a member of the Ad Hoc Safety and Security Group. He indicated that the Group was charged with a mission statement 740 days ago, more than two (2) years ago. The Group’s final findings were delivered to the Board on February 17, 2011, 581 days ago. He urged the Board to stop delaying this and get something done. Mr. Natiello discussed the Group’s findings, which were essentially what is now presented to the Board.

Ms. Terri Langan, a resident, and speaking on behalf of the Creekside residents, thanked the Board and encouraged them to vote positively to sole source this work and get it done.

Mr. Murray Salkovitz, a resident, and speaking as Chairperson of Neighborhood Watch, noted that there were incidents that might not have happened, if this system was implemented. Recently, a boy playing basketball was attacked by nonresident youths in the community. Mr. Salkovitz reported that a resident was recently convicted of two (2) second degree lewd and lascivious battery felonies. The person has a court order to stay 1,000 feet away from the amenity facilities and, in order to enforce that, Mr. Salkovitz urged the Board to remove the person from the amenity list.

Mr. Kagan voiced his support for the project and the sole source approach. He feels that this is a gorgeous community and it should remain that way but the CDD is always underfunded. He recommended that, in the future, the Board consider a special assessment to create a fund to address problems, as they arise, rather than taking funds away from other necessary projects.

Ms. Deborah Laury, a resident, stated that she is concerned about security but questions if the Board utilized the services of the Community Associations Institute to determine if there are other vendors who are providing these services. She noted that this is an expensive project and wondered if the selection should be through an RFP, rather than working with only one (1) specific vendor. She feels that, given the large expenditure and the Board’s fiduciary

responsibility to make sure the money is spent carefully, it is an issue if they have not talked with other vendors.

Ms. Gloria Schleith, a resident, thanked the Board and voiced her support for the program.

Mr. Reisman spoke in favor of the project. He noted that the proposal calls for three (3) people, on site for two (2) weeks, plus travel expenses, during the implementation phase and questioned what happens if that phase takes longer.

Mr. Stroke indicated that, if extra implementation time is needed, which is not outside the scope of work, his staff will remain and work under the contract terms but, if the scope changes, the cost will be determined at that time. Mr. Wrathell stated that any change would be handled through a change order, voted on by the Board.

Mr. Joe Mulhall, a resident, recalled previous problems with unlicensed and uninsured vendors working in Grand Haven. He noted that vendors cause delays at the gates and proposed charging vendors a fee for an entrance device and require them to show proof of license and insurance.

Regarding competitive bidding, Supervisor Davidson stated that, as a bid was already obtained, it would be a disadvantage to the current bidder. He advised that, after the Ad Hoc Group's report, the District completed an informal RFQ process, inviting five (5) companies to present and provide quotes. He noted that each company had a certain area of expertise but none, other than Dolphin Technical Solutions, could complete more than a few elements of the project.

On MOTION by Supervisor Davidson and seconded by Supervisor Pollinger, with Supervisors Lawrence, Pollinger, Chiodo and Davidson in favor and Supervisor Gaeta abstaining, entering into the agreements originally dated June 6, 2012 for data solution phases and the DVR upgrade project agreement dated July 30, 2012, with Dolphin Technical Solutions designated as the District's sole source contractor for all IT infrastructure reinvestment projects, as part of the Keeping Grand Haven Grand Program, with the agreements to be dated October 1, 2012, in a not-to-exceed amount of \$60,300, was approved. (Motion passed 4-0)

SEVENTH ORDER OF BUSINESS

Discussion: General Election Candidate Night at The Village Center (Richard Sullivan)

Mr. Wrathell indicated that a request to hold a Candidate Night was received from Mr. Dave Sullivan, Chairman of the Flagler County Republican Executive Committee.

Supervisor Chiodo voiced his support for allowing candidate forums.

Mr. Wrathell asked for a Supervisor to volunteer to coordinate scheduling of Republican and Democratic candidate nights in Grand Haven.

On MOTION by Supervisor Davidson and seconded by Supervisor Pollinger, with all in favor, designating Supervisor Chiodo as the Board's liaison to coordinate Republican and Democratic Candidate Nights, was approved.

Supervisor Lawrence voiced his opinion that the candidate nights should be split by office, rather than political affiliation.

▪ **Public Comment Regarding Upcoming Foot Race**

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

Mr. Tom Pruitt, a resident, voiced his concerns about traffic, parking and security issues related to the planned race. He questioned the plan, should additional cleanup be necessary. Mr. Pruitt stated that the City has not been a friend to Grand Haven and he feels that the City is simply looking for more money from the District. He questioned the lack of restroom facilities for the event and whether port-o-pots will be brought in and, if so, how long will they be left, etc. Mr. Pruitt felt that Grand Haven is a private community and should remain private. Mr. Pruitt advised that the race was already published in the newspaper.

Supervisor Davidson indicated that this matter was proposed to the District but more research is necessary.

Ms. Sarah Lockhart, a resident and City of Palm Coast employee, voiced her objection to granting the City's request to hold the race in Grand Haven. She noted that she informed her superior of her intention to object and noted that the City was of the impression that they were invited to hold the race in Grand Haven. She advised that, if the District does not want to hold the race, it will not be held on the CDD's property.

Supervisor Pollinger noted that the full details have not been provided and found it presumptuous for the City to have published it in the newspaper.

Supervisor Chiodo felt that, as someone made a commitment that the Board never agreed to, the Board should immediately terminate all consideration of the race.

Mr. Jim Cullis, of Grand Haven Realty, asked to address the issues and emotion surrounding this matter. He advised that, for the race series, the schedule must be published in advance. He assured the Board that it was made clear to the sponsors that they do not have the commitment and authority to hold the race in Grand Haven. Mr. Cullis stated that, if the race is not run in Grand Haven CDD, it can be run in Waterfront Park and up the fine side, so as to avoid actual CDD property. The other issues presented by Mr. Pruitt are such that the sheriff's department handles security, etc.

Mr. Cullis pointed out that the golf club holds outside golf tournaments all the time where 140 to 150 people enter the community and nobody says a word about it. He stressed that he is not receiving a benefit. He noted that the profile of the runners is adult professionals and the City runs a very professional race. Mr. Cullis spoke of the contentious situation he was just put through with regard to the Grand Living plan. He noted, and Supervisor Davidson concurred, that Grand Haven does not pay a great deal of attention to the children residing within the District. Mr. Cullis felt that the only benefit of the race was to establish a scholarship fund for the children. He stated that, if there is this much opposition to the race, it can be cancelled now, as the message from the residents is that they are more concerned with the minor issues than they are about trying to help anyone.

Supervisor Gaeta contended that the District already has many scholarship funds.

Supervisor Davidson indicated that the problem is that the City should have approached the CDD with this request and asked Mr. Cullis who is speaking with him. Mr. Cullis indicated that Ms. Lisa Gardner is in charge of the race. Supervisor Davidson stated that he wants to see the proposed course and the decision will be up to the Board. Mr. Cullis will ask Ms. Gardner to contact the Board.

Ms. Schleith stated that the Grand Haven Women's Club offers scholarships.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

There being no Supervisors' requests, the next item followed.

NINTH ORDER OF BUSINESS

ADJOURNMENT

Ms. Janet Search, a resident, noted that the Board just approved a \$60,000 expenditure for the purpose of keeping people out and preserving the District's amenities. She does not want outsiders using the District's trails.

Supervisor Lawrence voiced his opinion that the Board should vote against the race now; there is no need to delay the decision. Supervisors Gaeta and Chiodo agreed, contending that there has been no support from residents. Supervisor Pollinger recalled resident support at the last meeting. Supervisor Davidson felt that the District should open and close negotiations with the City in the proper manner. Supervisor Gaeta disagreed; she does not want people running by her property. Supervisor Davidson stated that he feels the City should talk to the District.

In response to Supervisor Gaeta's utterance about people running on her property, Ms. Lockhart clarified that the City Ordinances prohibits races on residential properties.

Supervisor Davidson surmised that the issue is basically how to tell the City no.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, with all in favor, denial of the City of Palm Coast's request to hold a foot race on Grand Haven CDD property, was approved.

There being no further business, the meeting adjourned.

On MOTION by Supervisor Gaeta and seconded by Supervisor Chiodo, with all in favor, the meeting adjourned at 12:10 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair