

**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, July 5, 2012, at 2:00 p.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	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Barry Kloptosky	Field Operations Manager
Howard McGaffney	Amenity Management Group (AMG)
Robert _____	
Linda _____	
Irene McKenna-Klingenbey	Resident
Al Lo Monaco	Resident
Linda Struble	Resident
Ginger Richards	Resident
Diane Layng	Resident
Frank Benham	Resident
Gloria Schleith	Resident
Janet Search	Resident
Roy Search	Resident
Vincent Marmo	Resident
Daniele Todd	Resident
Ron Merlo	Resident
Ray Smith	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 2:04 p.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**DISCUSSION ITEMS****A. Proposed Fiscal Year 2013 Budget**

Mr. Wrathell presented the proposed budget. He indicated that the budget is relatively unchanged since the meeting two (2) weeks ago. Mr. Wrathell referred to Page 23, noting that the title was changed from “Wish List” to “Budgetary Considerations”, which is a list of items under consideration, not currently included in the proposed budget. Page 19 details the proposed assessments for Fiscal Year 2013; the District is trying to keep the assessment increase around 3%. Mr. Wrathell noted that there are many items under consideration but not a lot of available funds to complete the items on the list.

- **Line By Line Analysis for Cost Savings**

Supervisor Davidson recalled discussion regarding heating the pools during the winter and recommended coordinating with those that use the pools in the winter, to heat them only when needed or eliminate heating of the Creekside pool, for one month in the winter, after the holidays, to investigate what utility expense may result. This approach would reduce propane costs. Supervisor Chiodo suggested investigating heating, as it can cost more to reheat the pool, once the temperature is allowed to fall. Supervisor Lawrence felt that it is important to obtain community input. Supervisor Gaeta noted that the pool is currently too warm.

Supervisor Davidson discussed the District’s high electric costs. He explained LED and CFL bulbs, which are more energy efficient. It was noted that the conversion cost to use LED bulbs is approximately \$500 per streetlight. Supervisor Davidson thought that the CFL bulbs are already compatible. Mr. Kloptosky indicated that he previously suggested implementing a test area using the new bulbs to determine the actual cost savings, over a period of time.

Supervisor Davidson talked about converting the pools from using chlorine to saltwater, which would reduce pool chemical costs. Mr. Deary stated that the saltwater system seems to work well for residential pools but he has not seen the same level of option on a commercial sized pool; there may be a reason why larger pools do not use this approach. Supervisor Gaeta recalled that Mr. McGaffney previously informed the Board that the saltwater system is used primarily for smaller pools.

Supervisor Lawrence supported the streetlight LED or CFL bulb test recommended by Mr. Kloptosky. He pointed out the high electric costs at The Village Center and Creekside, which he would like reduced. He asked Mr. McGaffney and Mr. Kloptosky to identify usage and investigate options to reduce electrical use, such as timers, etc.

Supervisor Pollinger advised that reducing lighting can increase crime and vandalism.

Supervisor Gaeta asked about the A/C, as the buildings are often cold. Mr. Kloptosky confirmed that all facilities have programmable thermostats, which are set; however, they are still readjusted and must be reset.

Supervisor Gaeta suggested motion sensors in the facilities, so lights are only on when people are present.

Supervisor Chiodo questioned why water services are projected to be so much more in Fiscal Year 2013. Mr. Wrathell explained that the previous year was under budgeted, so the \$109,000 figure represents an amount closer to the actual expenses. Mr. Kozak is completing an analysis of water usage for the various accounts. Mr. Wrathell explained the past problem of budgeting too tightly, causing items to go over budget. Supervisor Gaeta felt that there may be leaks at the pool and spa. Mr. Kozak indicated that the commodity and base water rates increased and he will present a complete analysis at the next meeting. Supervisor Pollinger questioned the irrigation expenses and wondered if actual savings has been realized, since installing the new rotators and drought resistant plants, as recommended. Supervisor Lawrence noted that the golf course's water expense is only \$34,000, much lower than the CDD. Supervisor Davidson questioned why the water expense on the proposed budget did not increase for the golf course. Mr. Wrathell stated that the golf course meters are read and the projected amount is based on actual expenses.

Supervisor Gaeta referred to the legal - general counsel expenditure and litigation line items noting projected increases of 30% and 20%, respectively, over the current fiscal year. She questioned when the decision was made to increase those items. Supervisor Davidson indicated that the District is proceeding towards the discovery phase of the R.A. Scott lawsuit and explained the importance of fighting it. Supervisor Davidson felt that the figures are realistic.

Supervisor Gaeta advised that the District uses one of the most expensive office supply companies and asked if the District opened an account with Staples. Mr. Wrathell indicated that this is a matter for Mr. Kloptosky. Mr. Kloptosky stated that he does not know if an account was opened.

Referring to the litigation line item, Supervisor Chiodo felt that there is no question but voiced his opinion that the general counsel line item might be low, based on year-to-date expenditures. Mr. Wrathell acknowledged that the District is quickly going through the budgeted amount. Supervisor Chiodo noted that situations such as this put pressure on the reserve account, which must be replenished in the next fiscal year. Supervisor Pollinger concurred. Supervisor Chiodo conceded that part of the problem is the number of questions that the Board asks District Counsel to weigh in on and suggested that the Board set criteria to follow, prior to asking questions. Supervisor Davidson stated that he avoids contacting District Counsel whenever possible outside of the meetings.

Regarding opportunities for savings, Supervisor Lawrence noted that the District budgets for 12 workshops a year; he recommended holding only 11 and eliminating the December workshop. Supervisor Davidson felt that the importance of workshops is to allow the Board the opportunity to discuss matters; however, he feels this can be considered. Supervisor Chiodo voiced his opinion that, if the schedule continues to include 12 workshops, it is a foregone conclusion that 12 will be held; the Board must force itself to eliminate one (1) or two (2) workshops and only reinstate it if absolutely necessary.

Supervisor Pollinger recalled previous discussions about putting things on agendas at the last minute and noted that he continually receives emails with additional items past the Board's self-imposed, established deadline. Supervisor Chiodo voiced his displeasure with receiving information after the agenda is prepared or at the meeting, as it does not allow for a review, prior to the meeting. The Board concurred with eliminating the December workshop.

Supervisor Davidson advised that family movie night has not been successful and suggested removing the \$2,647 movie license fee line item and shifting \$2,600 to the special events budget. Supervisor Lawrence does not support increasing the special events budget. Supervisor Lawrence voiced his opinion that an increase is unfair and noted that many of the properties are vacant lots whose owners would not likely attend or benefit from a special event; therefore, he feels that \$6,000 is an adequate special events budget. Supervisor Lawrence prefers to "make due" with the current special events budget. Supervisor Davidson noted that the quantity of residents has increased and events will need to be eliminated, if the budget is not increased. Supervisor Davidson noted that the \$6,000 budget was established many years ago when the community had one-quarter the number of residents. Supervisors Gaeta and Pollinger agreed that an increase is appropriate. The special events line item will be increased to \$8,000.

Supervisor Davidson asked Mr. Wrathell to explain how the District arrived at the \$83.10 assessment increase, over the current year.

Mr. Wrathell advised that the increase relates to the decreased number of assessable units, infrastructure reinvestment, attorney's fees, irrigation and various other expenses.

Supervisor Chiodo asked if it can be assumed that the District will go over budget this year. Mr. Wrathell stated that, at this point, a reduction in fund balance of \$208,000 is projected; however, that figure will change if certain expenditures do not occur.

Supervisor Chiodo suggested that, in order to fully understand the Fiscal Year 2013 assessment, they must first consider what is happening in 2012 and whether they want to allow the reserve balance to fall. He felt that the 2013 assessment must include making up all or part of the Fiscal Year 2012 shortfall and cautioned against allowing the unassigned fund balance to go down.

Supervisor Lawrence recalled the Board's decision that, any overage in the capital budget this year would be repaid next year. He indicated that the projected overage is \$145,000 which must be paid back to the reserve account next year.

Supervisor Gaeta recalled the unexpected ADA compliance expenditures and asked if the final expense is known. Mr. Kloptosky stated that the total, not including the lifts, was approximately \$22,000, rather than the \$90,000 projected in the Fiscal Year 2012 budget.

Supervisor Pollinger voiced his opinion that the "unexpected" expenditures are becoming expected; the Board must anticipate better.

- **Proposed Budget Additions**
 - **Proposed Combined Strategies to Enhance Security and Reduce Unauthorized Overutilization of District Facilities and Amenities**
 - **Deactivation of Unregistered Gate Access Devices (GADs)**

Supervisor Davidson explained the importance of deactivating the unregistered GADs and combining the data from various databases into a usable system. He recapped the number of GADs to be deactivated, beginning with 1,400 of the 1,900. The remaining will be deactivated 100 per week. Deactivated GADs can be reactivated, if the owner is eligible and completes the necessary paperwork.

- **Compliance Review of BUR**

Supervisor Davidson discussed beneficial user rights and explained that owners or registered renters can have the beneficial user rights but not both. Currently, the policy is not

being enforced resulting in over usage of the facilities and amenities. Supervisor Davidson indicated that 140 known properties were reviewed to determine who holds the beneficial user rights, owner or the tenant. These issues must be resolved through a reregistration process.

- **Hardware/Software (Data Solution) for Combining Master Resident Database with Door King Database**
 - **Data Solution, *Dolphin Technical Solutions, LLC***
 - ✓ **Anatomy of A Data Solution**
 - **Benefits (*to be provided under separate cover*)**

Supervisor Davidson discussed the benefit of integrating the databases. He discovered that, on a weekly basis, the CDD office produces a 1,100+-page report which is provided to the guardhouse. An integrated database system would allow the guards to check information via the computer and alleviate the need for a weekly hard copy of the data.

Supervisor Davidson explained that call box reports can be generated to monitor who is letting people in, the time of day, etc., which may be beneficial to the police. Supervisor Chiodo recalled an email alleging that the guard at the main gate was allowing people to enter and voiced his opinion that it must stop. Supervisor Chiodo asked that the security company come before the Board. Management will ask the security company to attend the next meeting to discuss gate entry protocol.

- **Hardware/Software (Data Solution) for Combining Master Resident Database and Door King Database with the Use of Smart Amenity Access Cards (SAAC)**
 - **Data Solution, *Dolphin Technical Solutions, LLC***
 - ✓ **Anatomy of A Data Solution**
 - **Benefits (*to be provided under separate cover*)**
 - **Concerns Regarding New Amenity Card Procedures (PC)**
 - **Additional Facilitator Staffing Costs for Implementation of Scanning**

Supervisor Davidson indicated that the items previously discussed will allow the District to implement a smart security access cards (SAAC) system, which will be able to print reports at all work stations. He noted that cards must be created for every Grand Haven resident.

Supervisor Davidson detailed the benefits of a SAAC system, including increased efficiency, as staff will have the correct equipment for the job. It will eliminate costs related to printing a weekly list for security and timely updates to the community directory. Supervisor

Gaeta added that the integrated database system and SAACs would provide the amenity facilitators with a useful tool that can be quickly accessed. Supervisor Davidson reiterated that the system will ensure that only those with BURs are using the facilities.

Supervisor Davidson asked Mr. Robert _____ to discuss the changing amenity users, since the beginning of Grand Haven.

Mr. _____ felt that the main problems relate to renters because they do not have ID cards and, if they cannot present one, they are not permitted to use the facilities. He noted that, in addition, most renters attempting to use the facilities have several others with them.

Supervisor Davidson explained the current process for renters, which involves registering at the office and obtaining a photo ID card. He noted that some renters do not register, etc., because the property owners give them unauthorized GADs.

Ms. Linda _____ indicated that there was an influx of guest pass requests prior to the recent holiday. She noted that there was resistance from some guests who insisted that this was not previously required.

Mr. McGaffney discussed options for the SAACs, including using different background colors to differentiate adult residents, minors and renters, which will assist staff.

Supervisor Davidson discussed, and read aloud, a newspaper article regarding communities dealing with transient owners. The article stressed having a plan, making security rules, knowing who is authorized, limiting the number of rentals allowed and taking action. Supervisor Davidson read a letter received from Mr. Rob Sedelmyer, a resident.

“After reading the Poliakoff brothers column and particularly the “take action” encouragement when confronted by rule breakers and non-enforcement issues, I was compelled to create this document as a plea for help in our community.

Let me suggest that as all things in life, change is inevitable- things get better or worse but won't stay the same. Such is the situation in Grand Haven. We can let our surroundings deteriorate or improve them-one or the other.

Allow me to expand. Over a 10 day period, I have observed the following at the Village Center. People bring coolers with food and drink to the VC pool. The facilitator on duty that day was not aware of this violation. This would suggest a training issue.

Teenagers run and jump into the pool and throw toys the length of the pool.

Young children enter the hot tub.

Employee smoking on the property, in open area.

People smoking at various locations south of the gym.

People are not signing in to the facility.

Bicycles parked in various places around the facility.

I look forward to the day when we all have a verifiable ID , operating from a single data base, that will give us the assurance as to the legitimacy of the users and abusers of our wonderful and expensive amenities. Then, with the appropriate training of staff, we can improve our amenity experience.

The last paragraph of the Poliakoff column is as follows. "Have consistent, strong rules, and instruct your management to enforce them every single time they're violated. That's the only way to insure the integrity of the community."

While this communication is not intended to single out anyone, it is clear that leadership from the top controls where we go from here.

Regards

Rob Sedelmyer

7 Shinnecock Drive"

Supervisor Davidson indicated that the SAAC system will require distribution of new amenity access cards, containing a photograph and computer chip, to all residents. The computer chip will contain all necessary information regarding the person. All residents will be required to reregister in order to obtain a card.

Supervisor Davidson noted that the cost to implement the SAAC system is approximately \$50,000, including hardware and software, with the first phase being \$38,000 and the second phase being \$12,000.

Supervisor Davidson reviewed the benefits of a SAAC system, including safety and security; real time verification of authorized and unauthorized amenity facility users; BUR compliance verification; registered versus unregistered renters; discovery of unknown property owners, sold properties, terminated leases, hidden and unregistered rental properties and trespass order compliance.

Supervisor Davidson stated that the message is that the District will no longer tolerate unauthorized use of its facilities, is serious and has the means to enforce and control access to its facilities. He voiced his support of approving the entire project, in an amount of \$50,000 to \$60,000.

Supervisor Chiodo supported the expenditure, noting that there may be additional costs related to increasing staff, etc., during the reregistration phase, at the amenity facilities and during the implementation phase. He stressed sending the message that cards will be checked

more rigorously than ever before. Supervisor Chiodo noted the importance of knowing the costs and incorporating them into the budget, given the numerous unexpected costs in recent years.

Supervisor Gaeta stated that an added benefit is the ability to easily update information and the community directory.

Supervisor Pollinger acknowledged that the cost is high and spoke of the benefits for those that are invested in the community. He noted that the pool is an attractive nuisance and the Board must take action to protect the CDD's amenities and reduce the opportunity for unauthorized users to access it. Supervisor Pollinger feels that this is an essential budget item that will enhance the community's security and reduce its liability.

Supervisor Gaeta spoke of the community's perceived security and stressed the importance of bringing Grand Haven's technology to a higher level, to compete with newer communities, when the housing market improves. She is in favor of anything that can be done to keep Grand Haven on the "cutting edge".

Supervisor Lawrence felt that the Board must be careful to budget sufficiently to accomplish this. He noted that employing two (2) facilitators at 30 hours for seven (7) days a week will cost an extra \$110,000, which is not currently included in the budget. He indicated that the capital expenses are already over budget and the Board must cut \$126,000. He suggested including the expenditure in the capital projects list and prioritizing everything.

Supervisor Davidson indicated that he spoke with Mr. Deary regarding anticipated labor costs. He explained that the District will need two (2) full weeks for implementation and a few days around holiday periods, when high utilization is expected. Supervisor Davidson indicated that he asked Mr. Deary if current amenity staff could be shuffled to perform this task, specifically, ex-military and preferably, not women.

Mr. Deary stated that he has flexibility to pull employees with the specific skills defined by Supervisor Davidson. He noted that he manages many communities that are not staffed 12 to 13 hours per day and, due either to the design of the amenities or the community's desires, an expectation has developed in Grand Haven that the facilities should be staffed to this extent. He explained that Grand Haven's approach is a costly one. Mr. Deary spoke of his security access background and stated that an access control system can reduce personnel costs.

Future staffing needs were discussed.

Supervisor Davidson recommended budgeting \$50,000 for hardware and software, \$10,000 for additional hardware and \$20,000 for labor, setting the Fiscal Year 2013 total budget at \$80,000.

Supervisor Lawrence suggested also considering installation of electronic gates at Creekside to reduce staffing needs. Supervisor Gaeta discussed locking the gate to the tennis courts, etc., when the office is not open. Supervisor Gaeta indicated that she observed people accessing the facilities who do not live in Grand Haven. Supervisor Gaeta noted that she invited the fire marshal to speak to the Board at the next meeting.

*****The workshop recessed at 3:42 p.m.*****

*****The workshop reconvened at 3:57 p.m.*****

Mr. Wrathell indicated that Supervisor Gaeta requested to read a statement regarding the budget. Supervisor Gaeta read the following statement:

***“Establishing Priorities to Avoid
Unintended Consequences – Budget Year 2013*”**

The matter of whether or not the BOS should or shouldn't budget or move ahead with certain capital improvements, repairs or additions of any infrastructure or amenity is not traditionally decided by a handful of residents.

I have read all the emails loaded with misrepresentations regarding a proposed 3rd croquet court not to mention an unfortunate choice of words “wish list” coined to reflect the upcoming budget. That page has recently been renamed “2013 budget discussion items”.

There has been no mention in any of those “pro” or “con” emails about certain facts that we are faced with. They are:

- *Landmar declared bankruptcy several years ago (no more deep pockets)*
- *The infrastructure in place was used as a “marketing tool” and not built to the best of standards nor to a 20-30 year time horizon*
- *Originally, this community and amenities were built to accommodate approximately 800 domiciles with, Wild Oaks, not even being on the “drawing board” yet.*
- *We currently have 1,536 domiciles, or approximately 2500+ residents; and we're not built out yet!*
- *There is an impending lawsuit Landmar left us with*

As you well know, an IR (infrastructure reinvestment) line item has been part of our last 2 budgets and will be included again. This has enabled the BOS to “budget” for capital projects and repairs. Years of 0-\$30 assessments have led us to the point where we were before this inclusion.

In fact, there might in the future be the need for additional amenities. We cannot turn new residents away and/or ask them to “get on a waiting list”. They are as entitled to amenity usage as those “pioneers” who initially moved here in 2000. And each board member took an oath, FL Statute 190, to maintain and preserve the infrastructure of this community

*We cannot use “resident surveys” to establish where we spend our money! It is incumbent upon **ALL 5 BOS** who were elected and/or appointed to research, discuss and ultimately decide during our workshops and meetings which projects serve the best interests of **all the residents** and which projects we can and must undertake per our assessment .*

I am proposing that our new Engineering firm CPH conduct a comprehensive audit of our infrastructures which will enable the Board to prioritize, obtain estimates and budget accordingly in order to avoid the “unintended consequences of not establishing priorities”.

WE CANNOT AFFORD NOT TO DO THIS!!!!”

Supervisor Lawrence asked for clarity regarding deactivating the GADs. He felt that the first step is to deactivate the unassigned GADs and questioned if the Board will authorize Mr. Kloptosky to proceed. Supervisor Davidson indicated the issue with implementation relates to staffing and asked Mr. Kloptosky if his staff is prepared to handle the onslaught of re-registration. Mr. Kloptosky felt that staff needs more time. Supervisor Davidson indicated that if reregistration commences now, staff would be using the old, Excel format and the information can be imported into the new database.

Supervisor Lawrence suggested commencing deactivation in two (2) weeks and noted that a majority of the problems may be solved through the process. He recommended asking Mr. McGaffney and Mr. Deary for a more definitive estimate of staffing needs to conduct a one (1)-time check of SAACs, followed by ongoing checks. He feels that budgeting \$20,000 for additional staff is not sufficient.

Supervisor Chiodo stressed the need for staff to have an approach to re-registration and dealing with the deactivation of GADs. Mr. Kloptosky indicated that only one (1) computer in the CDD office is currently able to be used for re-registration. Supervisor Chiodo noted that certain things must be done to facilitate the CDD office’s abilities. Mr. Kloptosky indicated that he spoke to Dolphin Technical Solutions, LLC, and was informed that the office computers must be upgraded and a database software solution, which will integrate the systems, is needed. Supervisor Chiodo questioned the cost for those items. Supervisor Davidson advised that the quote was \$38,000.

Supervisor Davidson reminded that the District already contracted with Dolphin Technical Solutions, LLC, to investigate everything that the data solution should provide and they are to provide three (3) different solutions. The data from the current systems is to be inputted into different data solutions and staff will review each option. Once completed and selected, the District will purchase the equipment, etc. Supervisor Lawrence summarized that, once Mr. Kloptosky's staff is ready, the plan is to deactivate the 1,400 GADs not being used, followed by 100 per week, until all are deactivated.

- **Distribution of SAACs/Update Resident Information (CWURR)**
 - **Proposed Email Communication to GH Residents Regarding Community Wide Re-registration**
- **Double Striping Waterside Parkway**
- **Electronic Gates to Amenity Centers**
- **Roving Security Patrol**
 - **GHCDD BOS Security Liaison Combined Report**
 - **GHCDD Crime and Incident Report**
- **Consideration of Development of BOS Policy Regarding the Removal and/or Addition of an Amenity to the Existing Amenity Package**
 - **Usage Analysis, Legal Considerations, Financial Consideration, Community Input *(to be provided under separate cover)***
 - **Sic: Bocce, Pickle Ball, Croquet Courts**

These items were discussed elsewhere during the meeting.

B. Consideration of 2013 Capital Plan

Supervisor Lawrence indicated that he prepared a first draft capital improvement program for Fiscal Year 2013. He explained that some Fiscal Year 2012 projects were moved to 2013, as they were not being started yet and reviewed those items. Some 2013 projects were eliminated, based on discussions with Mr. Kloptosky, as they are likely not necessary. He noted that the \$287,000 road repair plan was eliminated because it is highly likely that the Grand Haven roads can wait 20 years for resurfacing. Supervisor Lawrence recommended that the new District Engineer evaluate the roads, establish criteria for when roads should be resurfaced and a working plan. Supervisor Lawrence felt that the former District Engineer lacked experience in roads and that their plan is not reliable; the new District Engineer is an expert on roads.

Supervisor Chiodo questioned if Supervisor Lawrence's complete elimination of road resurfacing from the budget includes Sailfish Drive, as he felt the Board previously committed to the project. Supervisor Lawrence confirmed that he eliminated everything, including Sailfish Drive, noting that there are other road issues in the community, which is why he feels that the District Engineer must assess the roads to determine what should be done with the older roads. Supervisor Lawrence stressed his feeling that resurfacing is not necessary now.

Supervisor Chiodo clarified that he is not questioning the issue of resurfacing, he is asking because he felt that the Board made a commitment to fix Sailfish. Supervisor Chiodo asked if Supervisor Lawrence's decision negates that. He stated that he is not opposed to having the District Engineer evaluate the roads but he feels that Sailfish should be considered separately.

Supervisor Pollinger recalled that the residents of Sailfish Drive have endured this for more than a decade and it is unacceptable. He agreed with Supervisor Chiodo and supports addressing this problem.

Supervisor Gaeta felt that the Board made a commitment.

Supervisor Lawrence advised that, if the District Engineer confirms that the work on Sailfish Drive is necessary, the road reserve fund contains \$150,000, which can be used. Supervisor Lawrence agreed to place Sailfish Drive on a high priority for evaluation.

Supervisor Lawrence advised that the challenges of the Fiscal Year 2013 budget include the fact that the latest projections indicate that the District will overspend the current budget by \$145,881 and the Board previously agreed to repay the reserves for the overage during Fiscal Year 2013. Additional challenges include inclusion of projects moved from Fiscal Year 2012 and the reserve repayment totaling \$332,475. Finally, the Fiscal Year 2013 new proposals total \$210,967. Supervisor Lawrence discussed cutting expenses in certain areas. He recommended ranking proposed projects based on:

- A - Safety and Health Must Do
- B - Capital Preservation Must Do
- C - Aesthetics Nice to Do
- D - Request
- E - Cost Savings

Once the projects are ranked, it will be easier to determine which items to eliminate, in order to cut \$126,515 from the budget.

Supervisor Chiodo asked if The Village Center pool project is included on the list. Supervisor Lawrence replied affirmatively. It is included for \$81,000. Repair of Creekside spa is included for \$7,582.

Supervisor Davidson stated that safety and community access data solution should be increased to \$60,000. Supervisor Chiodo pointed out that the additional personnel costs must be included because they are not included elsewhere.

Supervisor Chiodo noted the \$45,000 figure for a second croquet court and indicated that he is not in favor of the District accepting any contributions from special interest groups; therefore, the amount should be increased to \$60,000.

Regarding Supervisor Lawrence's proposal to install no passing signs on Waterside Parkway, in lieu of double striping, Supervisor Pollinger advised that the District cannot enforce the signs without there being a line to cross. Additionally, Supervisor Pollinger questioned whether the road is wide enough to add a double stripe. The Board agreed to remove the \$1,800 sign project from the 2013 CIP new proposals.

Regarding The Village Center pool repair and marcite project, Supervisor Pollinger pointed out that it is the largest project but it is an unverified scope of work. If verified, he feels that this project is the highest priority, as it is an infrastructure issue.

Supervisors Chiodo and Davidson felt that the security and community access/data solution item is a high priority, Category A expenditure. Supervisor Chiodo summarized that security, the Creekside spa and The Village Center pool projects are Category A items.

A Board Member indicated that the Creekside building needs repainting, as it has cracks that could lead to water intrusion. Mr. Kloptosky stated that buildings should be repainted every five (5) to seven (7) years; Creekside is now seven (7) years old. The estimated cost is \$14,000.

A Board Member advised that the refrigerator in The Village Center Café must be replaced and estimated a cost of \$6,000.

Regarding listing the proposed second croquet court as a Category D item, Mr. Kloptosky felt that this item could easily turn in to a Category B, capital preservation, item, as there is excessive wear and tear on the existing court, due to the high usage. Supervisor Chiodo was in favor of a separate, Category B item to repair the current croquet court. Discussion ensued regarding croquet costs.

The Board ranked the Fiscal Year 2013 new proposals as follows, based on the aforementioned criteria:

- D - Pickle Ball Court
- A - Security & Community Access/Data Solution
- B - Paint CAC Buildings
- D - 2nd CAC croquet court
- A - Repair/marcite VC pool
- B - Replace Refrigerator VC Café

Regarding the planned 2013 work, Supervisor Lawrence felt that the repairs due to tree root lifting, rumble strip and stop bars/arrows etc., are Category A items. The Board agreed.

Discussion ensued regarding the gas powered cart requested by Mr. Kloptosky. Mr. Kloptosky confirmed that it is not a “must do” item, as employees are using their own vehicles; however, staff is being required to spend more in gas than they are being reimbursed for. This item was listed as Category B.

Repainting streetlights was listed as Category C. Supervisor Lawrence suggested removing \$15,000 from the landscape renovations line item. Discussion ensued regarding the landscape renovations scope of work. This item was reduced from \$75,000 to \$60,000.

The gym bikes and treadmill items were listed as Category B. The Creekside pool and office equipment items were discussed.

Supervisor Lawrence reviewed the planned 2013 costs for The Village Center gym and pool area. Mr. Kloptosky explained that new chaise lounges and drink tables are needed in the pool area, as the expense to repair is increasing. Regarding the pool heat pumps line item, Mr. Kloptosky felt that it should remain, as the pumps may go out and need to be replaced. The sport-bocce courts were deemed a Category D item. The miscellaneous A/C line item was classified as Category D. The ADA pool lifts item should be increased to \$11,000 and was placed in Category A. Supervisor Lawrence indicated that costs of \$25,000 for District Engineer costs related to support of capital was included. It was noted that the \$25,000 figure may be too low, if the District anticipates a complete engineering analysis of the District’s infrastructure.

The Board eliminated \$18,000 so far and the challenge is to reduce another \$153,000. The Board discussed removing the streetlight repainting, gas powered cart and the sport-bocce court. Supervisor Pollinger felt that the Board should wait to cut until it receives a second opinion regarding what pool and spa work is necessary and the estimated cost. Mr. Kloptosky felt that the pool and spa are separate issues; they know the spa has a problem that must be fixed.

Supervisor Pollinger questioned if the security/data solution item can be spread over two (2) fiscal years. Discussion ensued regarding the staffing needs and the length of time to fully implement the entire program, including reregistration and the SAAC utilization.

The Board agreed to delay additional cuts until further cost estimates, etc., can be obtained. The Board will evaluate the items on an individual basis and present their suggestions at a future meeting or workshop. Supervisor Chiodo pointed out that the Sailfish Drive project must still be considered and added to Supervisor Lawrence's CIP list.

C. Possible Elimination of Call Boxes

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

This item was previously discussed.

D. Proposed City Stormwater Fee Impact

Supervisor Lawrence indicated that he is following up with the city. The city is revisiting the ordinance. He did not recommend budgeting for this item, at this point.

E. ADA Compliance Requirements Impact

This item was previously discussed.

F. Maintenance Special Assessment Agreement

Mr. Wrathell felt that the District is finished with this item; the next step is with Mr. Cullis. Supervisor Davidson advised that Forest Park contacted him regarding the senior care Grand Haven North project of Mr. Cullis. Supervisor Davidson will meet with Mr. Cullis regarding the .82 acres he wants removed from the District. It was noted that Mr. Cullis should incur any costs related to removal of the land.

Referring to electronic gates, Supervisor Davidson felt that this item is not currently a budgetary possibility.

Regarding roving security patrol, Supervisor Davidson indicated that office staff developed a report form and asked who will collect the information and populate the form. Mr. Kloptosky stated that he assumed his staff would do this. In response to a question, Mr. Kloptosky confirmed that the form presented is revised from the original. The Board directed Mr. Kloptosky to proceed. Mr. Kloptosky identified problems and the time needed to compile the information and coordinate with the necessary entities and agencies. Supervisor Davidson asked Mr. Kloptosky to develop a plan and timing of receiving information. Supervisor Lawrence questioned the necessity and value of having Mr. Kloptosky's staff perform this

activity, when the sheriff's department already compiles the same information. Supervisor Davidson suggested that the reality of the matter is that two (2) Grand Haven residents are running against the current Sheriff and the reason for maintaining the information in house is so they can give it to a private security company, if one is hired.

G. Redirecting Flow of Traffic at Amenity Center (MG)

Supervisor Gaeta indicated that the fire marshal will address this at the next meeting.

H. Guardhouse Parking (TL)

Mr. Kloptosky indicated that Mr. Cullis' relocated parking lot will include a handicapped spot to service the guardhouse.

FOURTH ORDER OF BUSINESS

UPDATES: District Manager

Mr. Wrathell advised that negotiations were finalized with the new District Engineer, the requested changes to the fee schedule were made and Supervisor Davidson executed the agreement. Mr. Wrathell indicated that he advised CPH to attend the next meeting and, going forward, their presence at meetings would be necessary but not at workshops, unless a specific item being discussed requires their input. Supervisor Lawrence asked Mr. Wrathell to forward a priority list to the District Engineer containing the items the Board wants them to investigate and evaluate. Mr. Wrathell recommended having the District Engineer focus on the CIP items and, over the next year, they can evaluate the roads.

- **Consideration of Development of BOS Policy Regarding the Removal and/or Addition of an Amenity to the Existing Amenity Package**
 - **Usage Analysis, Legal Considerations, Financial Consideration, Community Input (to be provided under separate cover)**
 - **Sic: Bocce, Pickle Ball, Croquet Courts**

*****This item, previously part of Item 3A, was presented out of order.*****

Supervisor Lawrence indicated that he created categories for listing potential amenities. Discussion ensued regarding the use of surveys and Supervisor Lawrence believed that, if the determination is left to resident surveys, there will likely never be new amenities in the community. Supervisor Chiodo felt that the Board must get the community's pulse, obtain their input and set parameters. Supervisor Davidson discussed possible formatting of survey questions.

Mr. Wrathell pointed out that everyone is still recovering from the recent economic times and, while a new croquet court would be nice, the District probably cannot afford to build it; the District is currently trying to maintain the existing amenities, let alone add new things. Supervisor Davidson suggested drawing a line and identifying what the budget will not support.

Mr. Wrathell discussed the strategy for addressing the croquet court issue at the next meeting.

Supervisor Chiodo stated that security concerns within the community are growing and he anticipates a large presence at future meetings, as residents want to know what the CDD is doing about the problem. He feels that some residents will push for guards at every gate, roving patrols and more scrutiny of those entering the community. Supervisor Chiodo suggested that the guards at the gate are not properly checking vehicles, especially contractors entering the community. Mr. Kloptosky questioned if Supervisor Chiodo and others commenting on contractors being let through are sure that the contractors do not have the dashboard tag that allows them to be waived through. Supervisor Chiodo stated that the contractors are driving through so fast that he questions how anyone could see such a pass. Mr. Kloptosky noted that, in his discussions with the security company, he was told that the guards can see the dashboard passes, which is why contractors are waived through.

In response to Supervisor Gaeta's question, Supervisor Chiodo confirmed that residents are in favor of tightened security; however, he feels that many of them will not accept the fact that this is a CDD so there are limitations on what can be done and enforced. Mr. Wrathell confirmed that many Districts that are going beyond the CDD limitations on controlling access are finding themselves being audited by the IRS. Discussion ensued regarding costs to implement heightened security, reregistration requirements, etc. Supervisor Gaeta voiced her feeling that it will not take long for each resident to reregister; she feels that the Board is making more of this process than it needs to be. Supervisor Gaeta stressed the need to flush out those that are "hiding out" in the community.

Supervisor Davidson redirected the Board to the subject of developing a policy regarding the addition and/or removal of an amenity. Discussion ensued regarding a format for handling the speakers on the croquet court issue, at the next meeting.

Mr. Wrathell recommended timing resident input in advance of when the District presents its proposed budget. He suggested keeping the proposed budget simple; needs versus

wants and, once it is adopted, conducting a survey on the croquet matter. Mr. Wrathell voiced his concern about conducting a survey too close to an election or the budget adoption.

Supervisor Chiodo indicated that he spoke to Mr. Wrathell regarding his concerns about the tennis court repair project because the community, as a whole, believes that the work was completed for the benefit of the tennis community. He acknowledged that it was ultimately for the tennis players; however, the work had to be completed. Supervisor Chiodo wants to reinforce that the majority of funds spent were for drainage repairs, not resurfacing or landscaping, etc. Mr. Kloptosky is drafting an email explaining the project. Supervisor Chiodo concluded that the project was a matter of preservation of the District's capital/amenity. Mr. Kloptosky noted that Supervisor Davidson favored leaving actual costs out of the email while Supervisor Chiodo wants them included. Mr. Kloptosky noted that the final cost was \$113,550, not including the landscaping, which was an overage from the budget and contingency of \$15,650, and questioned if the Board wants that information included in the email to residents. Noting that there are already residents who are not happy about the tennis court project, Mr. Wrathell advised that including the amount spent in the email opens the Board to the possibility of adding to the number of people who are not happy about the expenditure.

Supervisor Gaeta stressed that residents do not understand that the District is facing aging infrastructure. Supervisor Lawrence suggested that the resident unrest is centered in certain sections. The Board discussed community misunderstandings regarding the tennis court project, such as the drainage and resurfacing being separate items. Supervisor Lawrence felt that an email will only make matters worse. Mr. Wrathell disagreed and suggested including an explanation that the developer did not build proper drainage for the courts; however, they are bankrupt, so the District has no recourse. Supervisor Pollinger felt that residents are not interested in the process; they are only concerned with the bottom line.

Mr. Kloptosky advised that he has received many comments from people praising the community.

Supervisor Davidson directed Mr. Kloptosky to not include the costs in the email but to add information regarding the bankrupt developer.

It was noted that the security issue is a need within the community; however, the new amenity is not. In order to circumvent the anticipated croquet court matter at the next meeting, it was suggested that residents attending the meeting be told that no new amenities will be considered. Mr. Wrathell noted that a community can have the very best security system;

however, if it does not maintain its amenities and facilities, the property values will decrease, leading to undesirables moving in.

Regarding cuts to the budget, Mr. Ray Smith, a resident, voiced his opinion that the Board is underestimating the amount because the District will continue facing aging and decaying infrastructure and, setting aside only \$50,000 per year to address it is not enough. The District's costs will continue to increase to address those matters, as they arise.

- **NEXT MEETING/WORKSHOP**
 - **BOARD OF SUPERVISORS MEETING**
 - **July 19, 2012 at 9:30 A.M.**
 - **COMMUNITY WORKSHOP**
 - **August 2, 2012 at 10:00 A.M.**

The next meeting is scheduled for July 19, 2012 and the next workshop will be held on August 2, 2012.

FIFTH ORDER OF BUSINESS

UPDATES: Field Operations Manager

Mr. Kloptosky indicated that a new staff member was hired.

Mr. Kloptosky indicated that he will add the line regarding LandMar to the tennis court email and asked if the Board wishes to review it again. Supervisor Davidson indicated, and the Board agreed, that the email does not need to be approved by committee. Mr. Kloptosky reiterated his question of how the Board would like him to proceed. The Board did not confirm whether Mr. Kloptosky should send the email without further review.

SIXTH ORDER OF BUSINESS

UPDATES: Amenity Manager

This item was not discussed.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

This item was not discussed.

NINTH ORDER OF BUSINESS

ADJOURNMENT

There being no further business, the workshop adjourned.

On MOTION by Supervisor Pollinger and seconded by Supervisor Davidson, with all in favor, the Workshop adjourned at 6:02 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair