

**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 **Wednesday, August 15, 2013 at 9:30 a.m.**, in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Marie Gaeta (<i>via telephone</i>)	Assistant Secretary
Tom Lawrence	Assistant Secretary
Raymond Smith	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Allen Skinner	District Engineer
Robert Ross	Vesta/AMG
Roy Deary	Vesta/AMG
Joe Montagna	Vesta/AMG
Barry Kloptosky	Field Operations Manager
Vic Natiello	Resident
Ron Merlo	Resident
Theresa Waters	Resident
David Alfin	Resident
Rob Carlton	Resident
Marti and Oz Garziglia	Residents
Frank Benham	Resident
Sharon Downes	Resident
Al Lo Monaco	Resident
Chip Hunter	Resident
Olga and Nikolai Lagunchik	Residents
Ilya Lagunchik	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 9:35 a.m., and noted, for the record, that Supervisors Davidson, Chiodo, Lawrence and Smith were present, in person. Supervisor Gaeta was attending via telephone.

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. Theresa Waters, a resident, recalled speaking at a past meeting regarding exceptions to the guest fee policy for nonresidents participating in group meetings, or “grandfathering in” the participants. She mentioned that four (4) participants in her study group are nonresidents and, under the District’s newly enforced policy, they will experience financial hardship if required to pay the \$10 guest fee, each week, in order to continue participating in the group. Ms. Waters noted that a pass was discussed, at the meeting, which she found to be a good alternative. She asked if the Board acted on that suggestion, as her group meetings will commence on September 9, 2013. Ms. Waters would like to know what to advise the participants.

Supervisor Davidson indicated that this will be included in the Amenity Manager’s report for discussion.

Ms. Waters recommended using the alternative pass system for participants attending for a “lecture” series, etc., as they would not be using the amenity facilities, other than to sit and listen.

Mrs. Olga Lagunchik, a resident, requested that the Board consider dropping the 2010 “No Trespass” order that was issued against their son, Ilya Lagunchik. Her son is now 18 years old and she asks that, due to his academic, athletic and behavioral improvements, the order be dropped, so he can stay busy in a positive way and participate in the community. She noted that the order was issued three (3) years ago, when her son was 15 years old. Mrs. Lagunchik offered to provide her son’s college records, etc., for the Board’s consideration.

Supervisor Davidson asked Mrs. Lagunchik to provide the documentation to the Amenities Director, Mr. Ross, who will discuss the matter with the Board. He stressed that the

Board cannot render a decision now; the District must research the matter and will respond at a later time. Supervisor Davidson suggested that the Lagunchiks schedule an appointment to meet with Mr. Ross. He noted that the decision must be voted on by the entire Board.

Mr. Chip Hunter, a property owner and Grand Haven Condo Association (GHCA) President, indicated that he will be moving into the community in January. He requested consideration of an exception to the gate access device (GAD) policy. Mr. Hunter wants to obtain a GAD to enter the community, as he is in the community often, due to repairs and lawsuits related to construction of the condos. Additionally, related to the new condos, he is the condo liaison with the builder and developer. Mr. Hunter stated that a GAD would make it easier for him to enter the community for those purposes, rather than waiting in line at the gate.

In response to a question, Mr. Hunter indicated that he owns two (2) condos and will be moving into one (1), in January, once it is vacated.

Supervisor Davidson advised Mr. Hunter that the Board will consider his request.

FOURTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

A. Approval of Minutes

- i. July 3, 2013 Community Workshop**
- ii. July 24, 2013 Regular Meeting**

B. Approval of Unaudited Financial Statements as of July 31, 2013

Mr. Wrathell presented the Consent Agenda Items for the Board’s consideration. Regarding the Unaudited Financial Statements as of July 31, 2013, Mr. Wrathell reported that assessment collections were at 101%.

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

FIFTH ORDER OF BUSINESS

STAFF REPORTS

A. Amenity Manger

Regarding scanning smart amenity access cards (SAACs), Mr. Ross reported that the process ran very well on August 5, 2013. The system is working. He indicated that only a few

people, who legitimately forgot their cards, were turned away; those residents retrieved their SAACs and were allowed entry. Mr. Ross voiced his feeling that the extra facilitator is not necessary next week, except on Saturday and Sunday.

Supervisor Lawrence asked if anyone without a SAAC tried to use the facilities. Mr. Ross indicated that there was only one (1) and it turned out to be the sheriff's son. It was suggested that the instance was a "test" of the new system.

Mr. Ross stated that he was approached by Grand Haven Realty to collaborate with the District on its Labor Day activities. Grand Haven Realty offered \$1,500 and wants to have a table to distribute literature and, possibly, distribute free drink coupons to those that visit the table. Mr. Ross asked the Board to consider the request.

Supervisor Davidson advised that, generally, the District has no commercial sales during any endorsed or underwritten events.

Supervisor Lawrence stated that he considers Grand Haven Realty to be a "resident", since they own property; therefore, the Board should consider whether they would allow a regular resident to promote their business at a District event, in a similar way. He was inclined to allow it because Grand Haven Realty provides a service to residents who will eventually sell their homes.

Supervisor Chiodo stated that, on the surface, he does not have a problem with this request but wonders how many similar requests will be received from businesses. He questioned if allowing Grand Haven Realty to do it will set a precedent for others. Supervisor Chiodo surmised that, if the District allows Grand Haven Realty, they must allow others, regardless of whether they are "residents".

Supervisor Gaeta agreed with Supervisor Chiodo. She feels that this request might require further discussion. Supervisor Gaeta asked if Grand Haven Realty provided an estimate of how many they thought would attend.

Mr. Ross clarified that he expects 300 people to attend the District's Labor Day event; it is not a Grand Haven Realty event. Supervisor Davidson specified that Grand Haven Realty is only asking to set up a booth at the District's event. Supervisor Chiodo stressed that the event is not for people outside of the community.

Supervisor Gaeta voiced her understanding and reiterated her agreement with Supervisor Chiodo's position.

Supervisor Smith estimated that at least a dozen real estate agents live in Grand Haven and voiced his discomfort that the Board does not have a policy regarding this. He stated that he does not object to the concept; however, it should be structured. Supervisor Smith advised that he is not comfortable making a decision at this meeting.

Supervisor Davidson voiced his opinion that the matter must be thought through, structured and consideration given to the ramifications. He has thoughts about opening this to other types of commercial establishments, along with enticing people to attend, by offering free alcohol. Supervisor Davidson wondered who and what else would be used to “ply” residents.

Supervisor Davidson recommended placing this on the next workshop and notifying Grand Haven Realty that, based on the many issues involved, a decision cannot be made in time for the Labor Day event. The Board agreed.

Mr. Al Lo Monaco, a resident, stated that many others might want to do the same thing, if the District allows it. He speculated that Mr. Jim Cullis, of Grand Haven Realty, might bring people to the event to use it as a sales tool.

Mr. Ross reported that three (3) or four (4) nonresidents come to the community to play cards at Creekside. He asked the Board to approve the “door card” system. He explained that the system would involve issuing a booklet of “door tickets”, with the nonresident giving a “door ticket” to the facilitator, when they attend a meeting, play cards, etc.

Supervisor Lawrence asked what activities could be accessed with the “door tickets”. Mr. Ross indicated that they would be limited to card players at Creekside and the “bible study” class at The Village Center. Mr. Ross noted that those are the only two activities that have nonresident participants. Supervisor Lawrence wondered if the description should be more generic. Supervisor Davidson felt that it should be specific and voiced his opinion that “lecture series” is a better term than “bible study”.

Supervisor Chiodo pointed out that card playing and a lecture series are quite different and questioned how the District can include a limiting factor, to avoid additional requests, of a different ilk.

Supervisor Davidson questioned if a decision must be made today. He asked Mr. Ross to provide a proposed procedure, at the next meeting, explaining how the system would work and including descriptions, collection, distribution, etc.

Supervisor Chiodo asked to receive the proposed procedure at least a few days prior to the meeting.

Ms. Waters offered to provide feedback on the proposed system.

Mr. Ross indicated that a resident will require a personal trainer, for two (2) months, due to upcoming surgery. The resident does not want to pay the \$10 per day guest fee for the personal trainer to accompany her to her workouts.

Noting that rehab, after surgery, is usually held at a medical type facility, Supervisor Davidson questioned the type of surgery, whether there would be risk of a medical problem and the District's liability, in this instance. Mr. Ross believed the resident is having hip surgery.

Supervisor Lawrence asked if the District needs an indemnification document from the resident or something from her doctor.

Mr. Clark stated that he would like to have such documentation and noted that, if the personal trainer is a professional and has insurance, he would like a copy. Mr. Clark suggested that the Board view this similar to an ADA matter; the resident needs special accommodation to utilize the equipment for a period of time. He recommended trying to accommodate her, with appropriate safeguards for the District.

Supervisor Lawrence pointed out that the personal trainer would not actually be utilizing the amenity; he would be supervising the resident's use. He suggested obtaining the necessary documentation and allowing the personal trainer.

Supervisor Davidson summarized that Mr. Ross should obtain documents regarding the qualifications of the personal trainer, along with liability waivers, and maintain those at the office.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, with all in favor, allowing a personal trainer to accompany the resident at The Village Center gym, subject to the conditions discussed, was approved.

Mr. Ross indicated that he will meet with a 4-H representative to discuss options for children in the community. He noted that the Grand Haven community currently offers few activities for children and 4-H offers a wide range of activities. In response to Supervisor Lawrence's question regarding the cost, Mr. Ross indicated that it is a free program.

Supervisor Davidson advised that he sits on the advisory council to the Flagler County Cooperative Extension. He met several times with Mr. Gary Thomas, of the Flagler County 4-H organization. Supervisor Davidson noted that he was reminded of the 4-H opportunities upon receiving a letter from a resident regarding the lack of activities for Grand Haven's youth.

Supervisor Davidson discussed having the amenity staff participate in a "verbal judo" training class, taught by Sergeant Mike Lutz, a Flagler County Sheriff's Department Deputy, where attendees learn to handle situations in a non-confrontational manner. The cost is \$30 per hour. Supervisor Lawrence suggested including Mr. Kloptosky's staff in the training. The Board agreed. Mr. Robert Carlton, GHMA President suggested that the GHMA and property manager's staff be included. Supervisor Davidson will coordinate with Sgt. Lutz.

Ms. Waters asked if the 4-H program would only be for residents. Supervisor Davidson confirmed that the 4-H chapter would be for Grand Haven children, only.

Mr. Ross indicated that a resident wants to be able to bring his two (2) grandchildren to use the pool, without paying the \$10 guest fee. Supervisor Davidson indicated that this item will be addressed later in the meeting.

Mr. Ross asked if the District has a policy regarding children sitting at the bar, in the café. He advised that, in Florida, no law prevents children from sitting at a bar; therefore, it is at the Board's discretion. Mr. Ross indicated that there was an incident, which is why he raised the question.

Supervisor Davidson had no problem with children at the bar, during the day; however, he had issue with children at the bar, if there are "over-beveraged" adults, such as may be the case in the evening.

Supervisor Smith asked if AMG has a policy.

Mr. Deary replied no. He voiced his understanding that the person was at the bar, ordering food. Mr. Deary suggested trying to be accommodating, if the person is ordering food.

Supervisor Lawrence felt it should be left to the café staff's discretion, unless it becomes an issue that must be addressed.

Supervisor Chiodo asked if the customer was refused service. Mr. Ross replied affirmatively. Mr. Deary added that Mr. Ross has since apologized to the individual for the mistake and tried to correct the matter.

Supervisor Davidson stressed that the goal is to run the food and beverage operation in a family-oriented environment;

Supervisor Smith had no problem with parents and children sitting at the bar in the café.

Mr. Vic Natiello, a resident, asked if this relates to a child, with their parent, or an unaccompanied child. Supervisor Davidson indicated that the child was accompanied.

B. District Engineer

i. Status of Sailfish Drive Drainage Permitting

Mr. Skinner indicated that permitting is underway for the Sailfish Drive project. He reported that the City of Palm Coast is struggling with how to permit the work, as it is not a normal building permit. Mr. Skinner advised that the City is willing to offer the District a streamlined permitting approach but with a twist.

Mr. Skinner stated that, in spirit of cooperation, the City is offering to issue a building permit, as opposed to a long and involved site plan review. He advised that this would save the District time, money, permitting costs and reviewer's costs. Mr. Skinner explained that the twist with this approach is that, when applying for a building permit, a contractor must be listed on the permit. Genesis originally thought that they would obtain the permit, while obtaining bids and selecting a contractor. With the proposed process, the contractor must be in place prior to issuance of the permit.

Mr. Kloptosky confirmed that he discussed this with Mr. Skinner. He recalled that the District already obtained a budget figure from S.E. Cline (Cline) and, although the bid plan was not yet provided, Cline is confident that their cost will remain about the same. Mr. Kloptosky felt that there is no harm in obtaining another quote, if not simply to be sure that Cline's price is fair. He reminded the Board of the importance of the contractor working with the residents and voiced his opinion that Cline was successful, in the past, whereas there was concern that a different contractor might not be as sensitive to the residents' needs. Mr. Kloptosky suggested that the District can "get around" the City's contractor requirement simply by doing homework.

Mr. Skinner indicated that he was trying to recommend another contractor so that Grand Haven has choices, going forward, for this and other projects. He spoke of the experience and qualifications of Besch and Smith Civil Group, Inc. (Besch and Smith), located in St. Augustine. Mr. Skinner reported that he provided the plans to Besch and Smith and they are willing to bid on the project. This will give the District options.

Supervisors Chiodo, Gaeta and Lawrence supported obtaining quotes from another contractor. Supervisor Lawrence noted that this might allow the District to establish a second contractor, which would be an effective counterpoint to Cline. He supports competition.

Mr. Kloptosky pointed out that this project is below the threshold which requires bidding; therefore, the District is not bound as to how it accomplishes the work. In response to Mr. Clark's question, Mr. Kloptosky recalled that Cline's final budget figure was around \$60,000. Mr. Clark concurred that the project falls below the bidding threshold.

Mr. Skinner asked that, in all fairness, if Besch and Smith is the low bidder and is qualified, that the Board truly give them consideration. He urged the Board not to just use them with the intention of selecting Cline, regardless.

Mr. Kloptosky voiced his understanding of Mr. Skinner's comments about the low bidder. Mr. Kloptosky emphasized that, when not bound to selecting the low bidder, he often does not select a contractor based on the bid, as there are other factors. Mr. Clark agreed that the District has flexibility; in this case, the District is obtaining quotes and factors, other than just cost, can be considered.

Mr. Skinner recommended that both contractors be provided with the plans and this be conducted in somewhat of a formal process, with a deadline, etc. Mr. Kloptosky advised the Board that he is clear to contractors that the District may not select the low bidder, as he considers other factors. Mr. Skinner suggested a meeting with the contractors.

Supervisor Chiodo recalled discussions, in the past, regarding having a number of qualified contractors to do work with the District. He noted that Cline has completed many projects for the District and the District has been satisfied, in general. Supervisor Chiodo pointed out that he cannot recall many other contractors that the District has worked with. He feels that it would not be a bad thing for the District to expand its contractor pool and work with another contractor, if they are qualified and provide a reasonable bid.

Mr. Kloptosky stressed that the contractor's responsiveness and response time are critical in dealing with certain issues.

Mr. Skinner pointed out the challenge of finding someone local and noted that St. Augustine is closer than Jacksonville.

Discussion ensued regarding obtaining a bid from the other contractor and the anticipated permitting time, once a contractor is selected. Mr. Skinner hoped that permitting could be completed within four (4) to six (6) weeks.

C. Field/Operations Manager

i. ADA Compliant Certification from McCranie & Associates, Inc.

Mr. Kloptosky indicated that he received the final certification letter from McCranie & Associates, Inc., for the ADA repair and completion.

Regarding the Pelican Court mailbox relocation, Mr. Kloptosky reported that the City released the permit and work commenced.

Mr. Kloptosky noted that the blue pool chair lift covers are being returned, for credit, and custom beige colored covers are being made.

Mr. Kloptosky reported that The Village Center tennis court light project is underway. The lights were ordered and work might commence next week. He confirmed that the cost is approximately \$40,000 and will come from the Fiscal Year 2013 budget.

Mr. Kloptosky stated that the original proposal for the mailbox relocation was \$3,500; however, there will be additional costs, due to the extra work required of the contractor, by the City.

Regarding the lightning strike damage, at The Village Center, Mr. Kloptosky indicated that the District will receive a payout; however, the amount is not finalized. He anticipates receiving approximately \$5,000, after the \$5,000 deductible.

Supervisor Chiodo asked if any steps are being taken to safeguard against future lightning strikes. Mr. Kloptosky stated that he is researching the possibility of grounding the pole, as removing and relocating is probably costly. Mr. Kloptosky stated that surge protection was reinstalled. He noted that, as this was a direct hit, damage was extensive, in spite of having surge protection.

Mr. Kloptosky reported that reregistration was at 85%; 1,577 households have registered. He noted that the rollout, on Monday, August 5, 2013, was successful. There were a few glitches but the residents quickly complied, once they realized they needed to. In response to Supervisor Chiodo's question, Mr. Kloptosky stated that there were no major issues at the gate; the District saved money because there was no need to have a roving guard and the extra guard, at the Main Gate, was only needed for three (3) days.

Noting that there were rumors circulating in the community that the extra gate guards would be paid in excess of \$40 per hour, Supervisor Chiodo asked the rate of pay for the extra guards. Mr. Kloptosky indicated that the rate was \$15 per hour.

Supervisor Davidson reported that 396 GADs were deactivated on August 5, 2013. He noted that these are in addition to the approximately 1,500 that were previously deactivated. Supervisor Davidson indicated that only a few of these residents have sought new GADs.

Supervisor Lawrence asked how many residents have been unable to enter, using their GADs, since the rollout and how many have come in to reregister. Mr. Kloptosky did not have the requested figures; however, the response has been good, with residents coming in daily.

Mr. Kloptosky recalled discussion, at the last meeting, of sectioning off a portion of the Creekside pool for water aerobics and leaving the other portion for residents to use, simultaneously. He advised that the water aerobics participants are in an uproar, claiming that they have a long-standing, exclusive use agreement with AMG to use that pool, for those two (2) hours, on those particular mornings. Mr. Kloptosky noted that the group cannot hold an exclusive use agreement unless the Board authorized it. He informed the participants that he would approach the Board on this matter.

Mr. Kloptosky advised that a minimal amount of women participate in water aerobics; however, they want to use the entire pool because of the depth. He stated that, if the pool is split, the participants must choose the depth; they do not want to choose, they want both depths. Mr. Kloptosky reiterated that the participants continue to refer to their usage agreement and want to know why it is being lifted and why they can no longer have the pool to themselves. He voiced his recollection that the Board never approved a policy giving water aerobics exclusive use of the pool. Mr. Kloptosky noted that the facilitators are receiving a lot of grief regarding this every morning.

Supervisor Davidson pointed out that times were different five (5) years ago, at Creekside. Development was just beginning and there was empty time at the pool; however, Creekside now has more residents and demand is much higher than the five (5) or six (6) water aerobics participants. He feels that there was never a policy regarding use; rather, there was an understanding that has now gone past its time, as there is increased demand for use of the pool. Supervisor Davidson voiced his opinion that it is no longer fair to the entire, overall community

for six (6) people to have exclusive use of the pool for eight (8) hours per week. He feels that the previously discussed option of sectioning off the pool is fair.

Mr. Kloptosky stated that the pool could possibly be divided horizontally to allow both depths in each section.

On MOTION by Supervisor Chiodo and seconded by Supervisor Smith, with all in favor, subdividing the Creekside pool for simultaneous water aerobics and resident use, was approved.

Mr. Kloptosky recalled discussion, at the last meeting, regarding condensation issues in the café and café kitchen, which were getting worse. He previously estimated the repairs to be \$10,000 to \$15,000. Since the last meeting, Mr. Kloptosky researched the matter. He advised that the café is partially open but was closed several times, over the past week, due to condensation dripping from the ceiling. Mr. Kloptosky presented photographs of the damage and noted that the leak was isolated to a single area.

Supervisor Gaeta asked if this is a structural issue. Mr. Kloptosky stated that he will discuss that later.

Mr. Kloptosky continued reviewing slides of the problem area.

Supervisor Lawrence asked if the insulation wrap is simply at the end of its life cycle or if it was an installation issue. Mr. Kloptosky indicated that it was installed properly but the unit is breaking down, creating a tremendous amount of condensation.

Noting that the issue is not present throughout The Village Center, Mr. Kloptosky discussed the building design, the roof structure and how the system was installed.

Mr. Kloptosky indicated that, although he and his staff already determined what needs to be done, he had several contractors inspect the situation to confirm his opinion. He stated that the current unit is a ten (10)-ton unit; it cannot be replaced with the same size unit because of the difficulty in getting that size of a unit into the ceiling. Mr. Kloptosky recommended installing two (2) five (5)-ton units and discussed the benefit of that approach.

Mr. Kloptosky explained the installation process and the various contractors that will be needed. He explained that the ceiling must be removed, followed by closing in the wall area in the ceiling with spray foam, installing the two (2) units and the duct work, installing a new ceiling and hiring an electrical contractor to complete the electrical connections. He noted that

installation of a dehumidifier was recommended by several contractors. In response to Mr. Skinner's question, Mr. Kloptosky confirmed that the contractor recommended by Genesis initially suggested the dehumidifier and other contractors agreed with the suggestion, when asked about it.

Mr. Kloptosky reviewed the estimates for each phase of work. He discussed the timeline and permitting process. Mr. Kloptosky stated that, upon receipt of the permits, the café would be closed for approximately two (2) weeks, in order for the contractors to complete the project. He estimated the overall cost to be approximately \$60,000. He recalled discussing with Supervisor Lawrence the possibility of the café selling sandwiches, cold items and drinks during the two (2)-week time, so that the café could remain open.

Supervisor Davidson asked if the various contractors would work under a general contractor (GC). Mr. Kloptosky indicated that none of the individual contractors are willing to be the GC for the project; therefore, the District is faced with being its own GC. Mr. Kloptosky noted that Mr. Skinner may have suggestions, in this regard, and voiced his preference to have a GC.

Supervisor Smith questioned if the District has an extra \$60,000 for this project.

Supervisor Lawrence stated that this project was included in his update; the District can complete it. He recalled that the District had budgeted in this year's capital improvement plan (CIP) to return \$204,000 to the reserve; however, to date, the District has spent all but \$10,000 of the \$204,000 figure. Supervisor Lawrence stated that, with its budget, the District can cover everything that the Board approved, including this project, but must move the \$204,000 repayment into the Fiscal Year 2014 and/or 2015 CIPs.

Mr. Skinner indicated that he is a mechanical engineer and his background is in air conditioning. He urged the Board to exercise caution with this project, as moisture in Florida is a very difficult situation. This is the type of project that is workmanship intensive; it is critical that everything be completed to the highest standard. Mr. Skinner discussed dehumidifiers and why one is important when installing the new units.

Mr. Kloptosky noted that, in reviewing the proposals, there could be a \$10,000 difference between the contractor suggested by Mr. Skinner and the other contractors. He questioned if the difference is worth using Mr. Skinner's contractor, noting that the other contractors might not be considering the same issues. Mr. Kloptosky pointed out that this contractor is familiar with all

phases of the project but will not agree to be the GC; he would be more comfortable if a contractor agreed to be the GC. Mr. Kloptosky agreed that Mr. Skinner's contractor was very knowledgeable.

Supervisor Davidson directed Mr. Skinner and Mr. Kloptosky to work together to commence the project as soon as possible.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the café air conditioner replacement and repair project, as discussed, in a not-to-exceed amount of \$60,000, was approved.

Supervisor Lawrence recommended warning residents that the café will be closed during the repairs. Supervisor Davidson stressed that this is a monumental public relations matter; residents must understand the complexity of the project, the amount of money and the scope of the inconvenience. Supervisor Chiodo suggested a quick, first notice, detailing why this is necessary and that the café will be closed, followed by another notice once they know when the café will be closed.

Supervisor Lawrence asked Mr. Ross and Mr. Deary to consider what they can do, as far as providing some level of food service, during the closure.

Mr. Kloptosky presented photographs of the pergola. He explained that the contractor restrained the pergola, as was required, under the warranty situation. Mr. Kloptosky stated that he is receiving emails from the contractor regarding figuring out how to solve the pergola problems. Mr. Kloptosky stressed that the contractor does not know what to do but he does; however, it is not his job to "baby" the contractor and walk him through what needs to be done to repair the caps. Mr. Kloptosky suggested that he take the project over and bill the contractor, once the work is completed. Mr. Kloptosky stated that he has grown tired of being an advisor to the contractor. He discussed the cap issues and how it should be repaired and questioned if the contractor is capable of repairing them the way it needs to be done; he is tired of dealing with the contractor and his ignorance on the topic.

Mr. Kloptosky reiterated his suggestion that the District take over and bill the contractor, once the work is completed. He could not estimate the cost at this time but acknowledged that it will not be cheap.

Mr. Clark advised that the District needs to repair the problem; otherwise, its costs will continue to increase. He stated that the District has recourse.

Mr. Kloptosky noted that it is well past the warranty; however, the contractor is aware of the issue and the letter was sent nearly a year ago, during the warranty period. Mr. Kloptosky continued reviewing photographs of the damage. He indicated that he is prepared to obtain prices for the repair work, as soon as the Board approves it.

Supervisor Davidson asked if VerdeGo, LLC (VerdeGo) was the contractor. Mr. Kloptosky replied affirmatively and suggested that VerdeGo never be allowed to perform work in the community. In response to Supervisor Davidson's question, Mr. Kloptosky confirmed that VerdeGo is no longer affiliated with the District's landscape contractor, Austin Outdoor.

Supervisor Lawrence agreed with the District completing the necessary work and billing VerdeGo for the costs. He further recommended that the District send reports to the Better Business Bureau and any other entities regarding the lack of quality in the contractor's work.

Mr. Kloptosky asked if the District must notify VerdeGo of their decision and the new course of action. Mr. Clark suggested that the District should notify VerdeGo, advising them that they did not live up to the terms of their agreement. Mr. Clark confirmed that it is not necessary to give VerdeGo an additional opportunity to correct the problem, as they had ample opportunity.

Supervisor Smith questioned where the "unknown" amount of money will come from to repair the pergola. Mr. Kloptosky indicated that he will use money from the "Amenity" line item and, if the District is reimbursed by VerdeGo, it will go into the District's revenue. Supervisor Davidson asked if the "Amenity" line item has money left for Fiscal Year 2013. Mr. Kloptosky replied affirmatively.

Mr. Kloptosky indicated that the croquet court was rolled, free of charge; however, he is not sure if it did any good.

Mr. Kloptosky reported that a deck drain surrounding the pool is failing. The plastic cap pieces pop up whenever someone steps on them, which creates a trip hazard. He presented photographs of the drain system. Mr. Kloptosky is obtaining quotes to repair or replace three (3) drains.

Supervisor Lawrence asked if the District has any recourse against the contractor that completed the pool drains four (4) years ago. Mr. Clark stated that four (4) years is difficult.

Mr. Kloptosky felt that these were existing drains at the time the contractor replaced the concrete deck with pavers.

Mr. Kloptosky recalled discussion, at a previous meeting, regarding the Marlin Drive Pump House equipment issues. He voiced his opinion that it is obvious that Hampton Golf did not complete the required maintenance, under the terms of the cost-sharing agreement. Mr. Kloptosky presented photographs of the conditions of the pump house building. He advised that, in the future, the District must complete major work on the pump house building, in addition to the other issues.

Mr. Kloptosky explained that it is becoming imperative to repair the issues because the District received an email from the City, who performs maintenance in the pump house related to the floats for the reuse pond. The City notified the District that their employees will no longer enter the pump house to maintain the float switch because of the horrible conditions and safety issues. The City informed the District that the issues need to be corrected immediately. Mr. Kloptosky explained that this is critical because the float switches go down regularly and, if the City will not repair them, the District and the golf club will be without water.

Mr. Kloptosky reviewed photographs of the condition of the pump house equipment. He noted rusted areas, which the City deemed hazardous. Mr. Kloptosky recalled that the District was working with Escalante, as it was their responsibility. Escalante was to obtain proposals; however, it has been two (2) months with no response from Escalante. Mr. Kloptosky suspected that Escalante is “dragging their feet”; they do not want to become involved because they are three-quarters responsible, according to the agreement. He ceased dealing with Escalante because something must be done quickly.

Mr. Kloptosky discussed the initial work necessary to improve the pump house to the point where the City will return to complete their work. He stated that the City is working with the District. The City has contractors who perform this type of repair work. Mr. Kloptosky met with the City’s contractors who are compiling a proposal to complete all of the necessary repairs. He reported that the contractors advised that the current conditions are horrible; like nothing they have ever seen. Mr. Kloptosky voiced his opinion that the District must take charge of this project, obtain proposals and complete the work.

Mr. Kloptosky discussed the rusty conditions and the enormity of the necessary work. He could not begin to estimate the cost.

Supervisor Lawrence asked how the District can take control of the project and get reimbursed from the golf course.

Mr. Clark recalled discussion, at the last meeting, regarding issues with the Marlin Drive Pump House Agreement. He found no evidence that the agreement was never assigned; it does not contain an assigns and successors clause. Mr. Clark pointed out that Escalante may take the position that it is not responsible for what happened in the past. He noted that Escalante needs the water and the District. Mr. Clark recalled that the old agreement stated that Hampton Golf would maintain the pump house and contained a cost-sharing provision. The old agreement further stated that, if Hampton Golf failed to maintain the pump house, the District could do so at Hampton Golf's sole cost. Mr. Clark felt that Hampton Golf/Crescent Resources may still be liable, under the old agreement, unless they can demonstrate that they assigned their responsibility or did something to get out of it. He noted that Hampton Golf never notified the District that they wanted out of the agreement and they continue to accept the benefits, by using the water. Mr. Clark stated that the District could argue that, by using the water, Escalante agreed to be the successor to the agreement, although the legalities are not yet resolved. He feels that the District has options; demand letters will be necessary very soon. Mr. Clark noted that the District could also assess the golf course. In response to Mr. Wrathell's comment, Mr. Clark acknowledged that it would not be possible to put that type of assessment on this year's tax bill.

Mr. Kloptosky indicated that he knew Hampton Golf was not doing what they were supposed to do; they were completing emergency maintenance work but not preventative maintenance. He noted that the conditions have deteriorated significantly, in the past year, since Escalante took over; he speculated that Escalante has done nothing. Mr. Kloptosky recalled suggesting that an inspection schedule be included in the agreement.

Mr. Clark stated that the District should reconsider whether it wants the agreement structured such that Escalante is responsible or if the District should be responsible.

Discussion ensued regarding whose name the agreement was in and which party was responsible for maintenance. Mr. Clark explained that the agreement was in Hampton Golf's name but the golf course was in the name of Crescent Resources.

The severity of the pump house conditions was discussed and Supervisor Chiodo suggested forwarding the City's comments to Escalante. Mr. Clark noted that the District should proceed as if there will eventually be litigation related to this.

Supervisor Smith asked Mr. Kloptosky if nondestructive testing of the pipes could be completed. Mr. Kloptosky was unsure that it would change the outcome; in his opinion, the conclusion is clear. Testing might only let the District know how much time it has. Mr. Kloptosky did not know the cost of this type of testing.

Mr. Kloptosky read the email from Mr. Danny Ashburn, of the City of Palm Coast, to Jeff, the Field Maintenance Supervisor:

“Jeff,

I was at your pump station this morning with Pat Henderson troubleshooting the level transducer for the wet well and some safety issues popped out at me. The steel plates and flooring over the wet well are structurally unsafe and are in serious need of repair. The possibility of someone stepping out onto the cover and falling into the well is something I am not willing to subject the City employees to and I am sure you feel the same way. If this situation is not addressed I am not sure I will be able to service this part of the system in the future. I have contacted several contractors that perform this type of work for the City. If needed, we will be happy to work with you to remedy this safety situation.

Thank you,

Danny Ashburn”

Mr. Kloptosky reiterated that the contractors are compiling proposals. He feels that, even if the issues are repaired, as long as chemicals are being kept in the pump house, the same problems will recur. He noted that the building is metal and is deteriorating.

Supervisor Davidson stated that Mr. Clark must research who the District can “go after”, along with working on an agreement with Escalante, going forward. He asked Mr. Kloptosky about the hazardous chemicals that Escalante is storing in the pump house.

Mr. Kloptosky explained that the hazardous chemicals are tied into the system; it is a feeder system for the irrigation system. Supervisor Davidson voiced his understanding and noted that the feeders should be sealed and not leak caustic chemicals; stored stock should be housed elsewhere.

Regarding cost, Mr. Kloptosky stated that he was told that the pump house equipment is worth \$250,000; however, he is unsure if that estimate includes the building structure.

Supervisor Davidson directed Mr. Kloptosky to discuss with Mr. Skinner whether any of the pump house equipment could be reconditioned.

A resident pointed out that rust on pipes does not necessarily mean it must all be replaced; someone should evaluate the conditions because testing could reveal that the pipes could be sandblasted and repainted or recoated. Mr. Kloptosky stated that “it is falling off in chunks”. The resident indicated that this is why it must be evaluated, as the issue is related to wall thickness of the pipe; oftentimes, these types of pipes are designed to experience a certain level of corrosion, over their lifetime. The resident noted that the pipes might not be to the point where they must be replaced.

Supervisor Chiodo questioned if the pump house was installed by the CDD, as part of the District’s infrastructure. If the CDD built it, it should have the right to have it analyzed immediately.

Supervisor Lawrence asked who owns the irrigation pipe leaving the pump house, as he believes that is part of the issue. He noted that the District cannot depend on any of the golf course entities maintaining the pump house; the District must assume the responsibility and bill the golf course, to ensure that it is maintained properly.

Regarding the Creekside office, Mr. Kloptosky reported another incident where residents told staff to be quiet and closed the doors. He noted that staff cannot work and do their job. Mr. Kloptosky indicated that he was in a heated discussion with a contractor, during the Architectural Design Committee (ADC) meeting and two (2) attendees entered the office and told him to be quiet. He stated that he took issue with that because he was not talking loudly and the discussion was related to a safety matter; he was trying to get the contractor to come out immediately to resolve the problem. Mr. Kloptosky indicated that the office employees are constantly being told to be quiet. He suggested that meetings be scheduled at The Village Center so that his staff can work at Creekside.

Supervisor Davidson asked who told him to be quiet. Mr. Kloptosky stated that the person running the ADC meeting asked him and his staff to be quiet. A resident pointed out that the matter was handled on the spot and asked Mr. Kloptosky to continue. Mr. Kloptosky indicated that the next request was from an audience member, at the ADC meeting, who asked him to “zip his mouth shut”, while he was speaking to the contractor, on the phone.

Supervisor Lawrence recommended that the District issue a policy regarding use of Creekside, with its primary use as the CDD office and the secondary use being for amenities. He suggested posting the policy so that when residents try to hassle CDD employees, they can refer to the sign.

Mr. Kloptosky felt that staff can coexist with residents; staff is often bothered by residents but they ignore it and do their work. He wants residents to understand that staff is there to perform work.

Supervisor Gaeta suggested that the groups meet in a different location.

Regarding the CDD office door being closed, Mr. Kloptosky stated that he wants to replace the current door with a glass door, which includes a sign stating that it is the “CDD Office”. He reiterated that the office staff can coexist with residents; however, residents seem to be the ones with a problem.

******The meeting recessed at 11:45 a.m.******

******The meeting reconvened at 11:55 a.m.******

▪ **Discussion: Plan for Chinier and Front Streets**

******This item, previously Item 6.H., was discussed out of order.******

Supervisor Davidson recalled that the Board was copied on the response from Ms. Jessica Beach, of the St. Johns River Water Management District (SJRWMD), regarding whether they have any authority over an area that it appears they do not. He explained that Ms. Beach indicated that the plat was not entirely accurate, compared to another set of formal terms for the record. Ms. Beach advised that, in order to allow the District to replant and repair the area, they are not requiring the District to complete an on-site survey to define the perimeters so long as the selected plants are approved by the SJRWMD no matter where they are planted within the controlled area. Supervisor Davidson recalled three (3) plants that SJRWMD did not want so those were changed. He summarized that SJRWMD is agreeable to the District’s plan. Supervisor Davidson indicated that, by the next meeting or workshop, Ms. Leister will have a schematic and cost estimate.

Supervisor Lawrence pointed out that this is another expense for which the cost was left blank in the CIP, as the amount is currently unknown.

D. District Counsel

i. Pier Adjacent to Golf Club

Mr. Clark indicated that, pursuant to the Board's instructions, he issued the ultimatum to the developer to either give the District the deed or repair the pier. He reported that the developer agreed to send the deed and pay the 2013 taxes on the parcel. They will escrow the taxes based on last year's numbers and agree to pay any overage. Based on this, Mr. Clark is proceeding to have the deeds signed for the properties, including the pier; he expects to have the deeds next week.

ii. Waterside Parkway Ownership

Mr. Clark stated that the City agreed to split the cost of a survey to determine the legal being conveyed. Mr. Kloptosky received one (1) proposal for \$1,500 for a boundary survey and to determine the legal description. The District would pay half, \$750. He recommended authorizing Mr. Kloptosky to proceed.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, approval of the Bradshaw Miles and Associates proposal for a boundary survey, in a not-to-exceed amount of \$1,500, subject to the City reimbursing the District \$750, was approved.

iii. Pump House Agreement

Mr. Clark indicated that his item is on hold until the District determines what action it will take regarding the entire pump house situation.

iv. Eagle Camera Agreement

Mr. Clark recalled that the Board approved the eagle camera, at the last meeting, subject to him obtaining the appropriate provisions. Mr. Clark reported that he prepared an agreement and forwarded it to the American Eagle Foundation. The agreement was signed without any changes to the text, except for a minor addition to an exhibit to clarify the scope of the work, which was fine. The agreement is ready for the Chair's signature.

Mr. Kloptosky noted that, throughout this process, he did not receive any negative comments, until yesterday. He reported that a Wild Oaks resident telephoned him voicing disapproval of the camera. Mr. Kloptosky explained the terms of the agreement to the resident. The resident objects to the camera because she is concerned about outside people coming in and traffic issues. Mr. Kloptosky explained that the location will not be disclosed and traffic should

be no different. The resident was further concerned about people setting up tripods and taking pictures. Mr. Kloptosky spoke with those involved and was assured that the group will comply with anything that is requested.

The Board had no objections to the Chair signing the agreement, as previously authorized to do so.

Regarding the pier, Supervisor Davidson directed Mr. Clark to notify Mr. Kloptosky, once he has the quit-claim deed. Supervisor Davidson asked Mr. Kloptosky if he has everything in place to immediately commence work so that the project is completed in Fiscal Year 2013. Mr. Kloptosky stated that he has the proposals; however, the Board must decide on the railings and deck material.

Supervisor Lawrence reminded the Board that \$60,000 is budgeted for the pier work. Mr. Kloptosky indicated that \$60,000 would cover the initial work but not the additional cost for marine-grade railings or the up charge, if composite decking is used.

Supervisor Davidson felt that the pier should be restored to its original condition, with the same type of materials. This nonfunctioning amenity needs to be put back into function, without going over the top. Mr. Kloptosky pointed out that the maintenance needs would be reduced, if the upgraded railings and composite decking were used.

Supervisor Lawrence asked the cost of the upgraded option.

Supervisor Gaeta recalled that one of the issues regarding the current deck is that the wood was installed upside down. Mr. Kloptosky concurred.

Regarding the cost for upgraded materials, Mr. Kloptosky indicated that his original quote was \$47,500, based on Logan Diving's report. If the Board switched to composite decking, the cost is an additional \$9,200 for the pier deck and another \$8,500 for the gazebo deck; however, the cost of the wood deck must be backed out of the \$47,500 quote. The cost for the upgrade to marine-grade aluminum railings is \$15,000. Again, the cost for regular railings must be backed out of the \$47,500 quote. Mr. Kloptosky estimated the cost to be \$70,000, with both upgrades, prior to backing out the costs for regular railings and decking material.

Supervisor Chiodo asked about maintenance savings if the upgraded materials are used.

Mr. Kloptosky detailed the regular maintenance work on the District's other pier and stated that the cost is a "couple thousand dollars", every two (2) years. Supervisor Lawrence

pointed out that the work would be double for this pier because it is twice as long as the other pier. Mr. Kloptosky added that this pier also includes the gazebo.

Supervisors Chiodo, Lawrence and Gaeta agreed that the maintenance savings would offset the higher cost of the upgraded materials, within a short time.

Supervisor Davidson recommended commencing the underwater portion of the pier project and that Mr. Kloptosky provide the Board with the actual figures and sample colors of the other decking material, at the next meeting.

Supervisor Gaeta asked what occurred with numbering the light poles along the Esplanade. Mr. Kloptosky indicated that he is working with the City on this matter, so the District can be included in the City's plan.

For the benefit of an audience member who returned to the meeting, Supervisor Chiodo recapped the status of planting on Chinier Street.

Supervisor Smith asked if the pier railings would be powder coated. Mr. Kloptosky replied that railings are usually finished that way. Supervisor Smith asked that the powder coating be listed as a separate line item, as he will make an offer to give the District a product to coat the aluminum railing with that will prevent them from corroding for approximately 15 years. Mr. Kloptosky voiced his concern that the process could void the warranty with the contractor who installs the railings. Supervisor Smith advised that it is the same as painting it. Mr. Kloptosky stated that the contractor might not warranty it if he is not involved in the powder coating phase.

E. District Manager

Mr. Wrathell indicated that a resident contacted Management regarding midges.

Mr. McGaffney read the following email, received from Mr. Rich Yoegel, into the record:

"Thank you for returning my call. As we discussed, my concern is regarding the line item 221 and 223 of the minutes of the July meeting. I was not at the July meeting and cannot attend the August meeting but would like these comments added to the official documents, as you suggested.

Our home, located on Lagare Street, Front Street Village, has had a midge issue from June through now and it has not subsided. I support midge mitigation and suggest we consider the cost impact to the budget and also suggest

we consider asking an expert on shellcracker fish if it is indeed too late to impact the fall cycle. If it is, when is the right time. Please note that this comment is respectfully made not knowing if Mr. Cottrell is, in fact, an expert in shellcracker fish and only made based off of his comments; his belief that installation of shellcracker fish now is too late to impact the fall midge cycle. Midge, while mostly a nuisance in the rear of the property, near the ponds, do not live and then die in and on the front of homes causing unsightly, what looks like dirt on the homes, as well as the very evident issues that it causes at the rear of the homes. Letting nature take its course, as the minutes suggest, is a short term solution to what will be a long term problem.

Thank you for your time in addressing my concerns.

Rich Yoegel,

Director of Merchandise Planning, QVC Incorporated”

Mr. Kloptosky advised that he responded to Mr. Yoegel’s email and the District addressed this. He noted that the fish were stocked.

Mr. Wrathell confirmed that the shellcracker fish were already installed; Mr. Cottrell was simply stating that he did not think it would have much of an impact in time for fall. Mr. Wrathell explained that the Board already took action, the shellcracker fish were already installed and the email was read into the record, per Mr. Yoegel’s request.

i. Upcoming Regular Meeting/Community Workshop/

○ **BOARD OF SUPERVISORS MEETING**

- **September 5, 2013 at 3:00 P.M. Regular Meeting**
- **September 5, 2013 at 5:00 P.M. (Public Hearing)**

The next meeting is scheduled for September 5, 2013 at 3:00 p.m., with the public hearing scheduled to commence at 5:00 p.m.

○ **COMMUNITY WORKSHOP**

- **September 19, 2013 at 10:00 A.M.**

The next workshop is scheduled for September 19, 2013.

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Update: Keeping Grand Haven Grand

i. Implementation of SAAC's and Deactivation of GADs [BOS]

Supervisor Davidson reiterated that there were no major, critical incidents, during the week of implementation, beginning August 5, 2013, with the exception of the single incident reported by Mr. Ross, earlier in the meeting.

- **399 GADs Deactivated as of August 5, 2013**
- **Over 84% Resident Compliance**

Supervisor Davidson noted that resident compliance is at 85%; those that have not complied are primarily lot owners or rental properties. He stated that the lesson learned is to train staff in “verbal judo”, as a means of dealing with confrontational situations.

Mr. Deary noted that the time and effort put into the “soft opening” made a huge difference in how things went. Supervisor Davidson felt that this program was a monumental success that greatly improves the quality of life in Grand Haven, forever.

Supervisor Davidson recalled the earlier discussion regarding a resident who wants to bring his grandchildren to use the pool without paying the \$10 daily guest fee, per child, to accompany him. He noted that the grandchildren are daily guests; if they were overnight guests, the \$10 fee would not apply, as there is no fee for overnight guests to use the amenities.

Supervisor Davidson feels that, if the Board approves this, it would open the dike for unbelievable abuse, which is what the District was trying to prevent. He discussed the difficulty the District would face in trying to verify whether children were actual relatives, etc.

Supervisor Davidson suggested that the resident making the request have his grandchildren as overnight guests.

Supervisor Lawrence agreed that the District cannot allow this type of exception; it should continue to allow free access only to overnight guests and daily guests must pay the \$10 fee.

Supervisor Chiodo agreed and pointed out that it would not matter whether they were blood relatives or not.

Supervisor Gaeta agreed with the current procedure.

Supervisor Davidson summarized that the Board agrees, unanimously; this will be included in the “chairside manual for questions and policies”.

It was noted that the resident, or the parents of his grandchildren, could purchase a membership for \$2,500, per year, giving the family beneficial user rights (BURs).

Mr. Kloptosky recalled that the matter regarding grandchildren is one of the issues but it is also tied to another resident who claims their guests are overnight guests but staff doubts that to be the case, as the guests' driver's licenses contain local addresses. He noted that staff does not really know how to control this type of deception.

Supervisor Davidson felt that proving that is difficult but, if discovered, the resident could lose their amenity privileges.

Mr. Kloptosky stated that this situation seems to be happening quite often.

Mr. Ross stated that, since implementing the new procedures, more and more local guests are being identified as "overnight guests" and requesting two (2)-week passes. He speculated that residents are using this as a way around the system.

Supervisor Lawrence questioned what is meant by a "two (2)-week pass". Mr. Ross indicated that an overnight guest is given a pass which is good for up to two (2) weeks. Supervisor Davidson asked if the guests are claiming to be overnight guests for two (2) weeks. Mr. Ross replied affirmatively. Supervisor Chiodo asked if the "guests" request another pass at the end of the two (2) weeks and whether they are school-aged children. Mr. Ross replied yes to both items.

Mr. Wrathell recalled that the intent of the SAACs is to track people and usage and, although the individuals might be abusing the system, issuing the passes enables the District to track the guest in a way that they previously could not.

Supervisor Davidson pointed out that the issue is that the guests do not have BURs to use the facilities. He reiterated the difficulty in monitoring this.

Supervisor Gaeta suggested that Mr. Deary provide input, based on the experience of Vesta's other properties.

Mr. Deary stated that he is not too familiar with long-term guest procedures. He already suggested that a guest pass is used at other facilities. Mr. Deary felt that the District could better track the two (2)-week guest passes in a database and, ultimately, limit how often those types of passes will be allowed.

A resident suggested that the District could have a policy that eliminates Flagler County residents from receiving guest passes. Supervisor Davidson felt that it would be illegal. Supervisor Chiodo explained that the thinking is that a resident of Flagler County would likely not be an overnight guest.

Mr. Clark preferred limiting the term of a guest pass to one (1) day, for local residents, rather than issuing two (2)-week passes. Mr. Clark suggested that the guest registration documents could also contain certification from the resident, stating that the person is staying overnight in the home. He noted that the certification could also specify that making a false statement is grounds for suspension.

Mr. Wrathell wondered if the District could limit the number of two (2)-week passes a person can obtain, during a year. If someone obtains a two (2)-week pass, every two (2) weeks, they are evolving beyond a guest and are actually living at the home. He feels that the District should be able to limit the number of passes issued each year.

This item will be included as a discussion item on the next workshop agenda.

ii. Establish Maximum Number of Day/Overnight Guests Per Property Owner

This item was not addressed.

B. Authorize Publication of Requests for Proposals

i. Security Services/Access Control Services

ii. Amenity Management Services

Mr. Wrathell presented the draft RFPs for Security Services/Access Control Services and Amenity Management Services.

Supervisor Lawrence noted that the current security provider has a supervisor, who visits weekly, to provide oversight and training to the guards. He feels this should be included in the RFP, as it is an essential part of the guards doing their job properly. Supervisor Lawrence stressed the importance of including that aspect, so bidders know that it is expected.

Supervisor Davidson indicated that the Post Orders need to be “cleaned up”. He suggested that the CDD office staff work on this, as many things may have changed, with the new SAAC and GAD system, etc.

Mr. Kloptosky stated that the Post Orders need language regarding communication and reporting potential threats to residents.

Mr. Wrathell suggested that everyone forward their comments to Management and the documents will be presented for consideration at the next meeting.

Supervisor Gaeta pointed out that, under “Visitor Passes”, on Page 9, Hampton Golf and LandMar are referenced. Supervisor Davidson confirmed that those items must be changed.

Supervisor Lawrence referred to the “Period of Agreement” section of each RFP, which states, “The term of this agreement shall be for a period of 1 year or from the agreed start date through September 30, 2014 or as agreed upon for the multiyear contract.” and asked what the bidder is supposed to do. Mr. Wrathell stated that he could revise that section to be more specific; he and Mr. McGaffney envisioned a year-to-year contract with an option to renew each year. Mr. Clark confirmed that he put that concept into the form agreement that he prepared, as the District does not want to go through this process every year.

Supervisor Smith asked Mr. Deary if he has seen the RFP.

Mr. Deary replied affirmatively. He noted that the fact that Mr. McGaffney is so familiar with AMG’s contract is clearly why the scope is very detailed and accurate.

Supervisor Davidson noted that the Board is still discussing the security RFP. Mr. Deary clarified that he thought they had moved to the amenity services RFP.

Supervisor Smith asked if the current security services vendor will be given an opportunity to review the RFP, regarding the scope, prior to sending it out. Supervisor Davidson stated that they could. Mr. Kloptosky confirmed that he will forward a copy of the document to the current security provider.

Mr. Wrathell felt that, realistically, this will be addressed at the October meeting.

Mr. Deary asked about presentations by the bidders. Mr. Wrathell stated that he would suggest inviting all respondents to present, if the numbers are low; however, if a large number of responses are received, he recommends implementing a narrowing process.

Discussion ensued regarding presentations.

Supervisor Davidson indicated that the Undersheriff will attend the September 5, 2013 meeting to give a presentation on what the Board should look for in its security services contractor.

Regarding the year-to-year language, Mr. Wrathell suggested crafting the language to provide for a first year fee and the CPI increase, per year, for subsequent years, to obtain prospective fees for at least three (3) years.

Regarding the amenity services RFP, Mr. Deary felt that it is good. He voiced his opinion that the language related to the contractor providing seven (7) tons of clay is unclear. Discussion ensued regarding this matter and whether it should be included in the contract. Mr. Kloptosky stated that the rationale for including it is because the contractor maintains the courts

and, when it rains, they must add the clay; the contractor knows when they need it, when to order it, etc. Mr. Deary was in agreement with the contract maintaining that the contractor is responsible for the first seven (7) tons of clay, per year.

C. Continued Discussion: Fiscal Year 2013/2014 Proposed Budget [BOS]

Supervisor Lawrence referred to the debt service fund and asked if it increased this year because, last year, the District was able to take money from the overage in the accounts.

Mr. Wrathell replied affirmatively. He noted that the assessment tables, on Page 17, reflect that debt assessments, in the two (2) debt service funds, were lowered by \$32.50, last fiscal year, by using excess fund balance. Utilization of fund balance was not proposed for Fiscal Year 2014; therefore, those assessments will increase by the same \$32.50. Mr. Wrathell explained the debt service reserve figures and stated that the District has a cushion; he would be comfortable with \$50,000 to \$60,000 in excess reserve. He stated that the Board has the opportunity to utilize some of the reserve on the 2008 and 2004 Series bonds, again this year, if necessary.

Supervisor Lawrence summarized that, if the Board chooses, they could reduce the debt service funds by the same amount, to maintain assessments, this year, and still be on sound financial ground.

Supervisor Davidson felt that the Board's obligation is to educate residents about the overwhelming financial calamities approaching the District, related to infrastructure, and the fact that they are doing everything possible to avoid imposing a special assessment. He felt that raiding the fund balance is not a way to avoid a special assessment, at a later time. Supervisor Davidson stated that the currently proposed 4.9% assessment increase is reasonable, considering the matters to be addressed.

Supervisor Davidson recalled Ms. Leister's presentation, a few months ago, and a budget line item for "landscape renovation". He stated that he could not find the \$60,000 budget that was discussed in the proposed budget.

Supervisor Lawrence indicated that the amount was placed in "Capital", for Fiscal Year 2013. He acknowledged that he did not include the \$60,000 line item in the Fiscal Year 2014 proposed budget. He only included the \$50,000 for vine removal.

Supervisor Davidson reviewed the items discussed by Ms. Leister, which total \$60,000, in addition to the \$50,000 discussed for vine removal. Supervisor Lawrence disagreed that the \$50,000 for vine removal was to be an additional entry.

Mr. Wrathell confirmed that the “197 letters” were sent; the District is now limited on the amount it can increase its assessments.

Supervisor Smith suggested eliminating several of the large projects in the CIP and placing them on a contingency list. He feels that the Board is kidding itself to believe it can realistically enter the next fiscal year with only \$22,000 of unexpected expenses.

Supervisor Lawrence suggested that the District just not repay the budgeted \$100,000 back to the reserve. He suggested prioritizing the CIP list and addressing unexpected items, as they arise. Supervisor Lawrence felt that the only chance to increase the total number is if the Board decides to lower the debt service fund again and transfer that money into the CIP account for use.

Mr. Wrathell stated that to do as Supervisor Lawrence suggests, would require the District to increase the general fund or infrastructure reinvestment higher than the “197 letter”, which cannot be done, at this point. Mr. Clark agreed that the Board is probably bound to what was noticed in the “197 letter.”

Supervisor Davidson referred to the “August, 2013 Draft, Fiscal 2014 CIP” and asked if the Board is talking about placing the \$60,000 or \$85,000 figure into this list now, rather than on the O&M side. Supervisor Lawrence replied affirmatively, stating that is where they had it, and, to do so, something else must be reduced, such as repaying the reserve. Supervisor Lawrence indicated that the \$662,000 number is locked in but the money can be spent on whatever the Board wants.

Supervisor Smith noted that he understands that but voiced his feeling that the general public will not view the list that way. They will believe that the District is spending the money for each of the items listed.

Supervisor Davidson noted that the CIP list contains “Creekside shower reconstruction” for \$10,000 and it appears again as “Shower reconstruction Creekside” for \$20,000. He summarized that \$30,000 is earmarked for this project.

Supervisor Lawrence acknowledged that it appears to be a double entry.

Supervisor Davidson asked the estimate to redo the Creekside shower. Mr. Kloptosky recalled estimating \$10,000.

Supervisor Davison indicated that the \$20,000 shower reconstruction and the \$50,000 vine removal line items can be removed from Supervisor Lawrence's list, as the first is a duplicate and the vine removal is elsewhere in the budget. These eliminations free up \$70,000 towards the addition of \$85,000 for landscape renovations.

Supervisor Lawrence asked if the Board wants to remove the large items and leave a chunk of money for "unknown infrastructure improvements".

Supervisor Smith stated that he would rather defend that by showing that the District spent \$200,000 on unplanned expenses.

Mr. Wrathell voiced his preference to include the "Must Do" items and place everything else in "contingency". He recalled that residents were caught up in the CIP list last year; they are taking the "wish list" too seriously. Mr. Wrathell reiterated his recommendation to list only the top few projects and label the rest as "Remaining capital needs". He explained that this does not change the budget. The budget still contains the same number; it is simply how it is labeled.

Mr. Kloptosky pointed out that the CIP list includes a \$39,000 "Resurface Tennis Cts 1-4" line item, which was already completed and can be removed.

The Board discussed including \$85,000 for "Landscape Renovations", \$195,000 for "Road Repaving (includes Sailfish project)", \$50,000 for "Pump House Repairs", \$36,500 for "Marcite Creekside Pool/Spa" and \$100,000 for "Repay Reserve for FY 2012 Overrun". The balance of \$195,500 will be entitled "Expected Capital Needs".

Mr. Wrathell indicated that this could be included as a budget exhibit, with no further details.

Mr. Kloptosky indicated that, at the budget public hearing, he wants to give a photo presentation of all of the projects that were completed in the community, during the past five (5) years. The end of the presentation will include a cost savings analysis. In response to Supervisor Chiodo's question regarding if the presentation will include the total amount of money spent accomplishing the work, Mr. Kloptosky stated that he did not total those figures.

Supervisor Chiodo noted that some residents find even a \$98 assessment increase to be a lot; however, they do not understand the type of projects being completed and the money being spent on major items that are breaking. Residents must be made to understand.

Mr. Wrathell agreed that pictures help show what the District is dealing with. Mr. Kloptosky indicated that he could include a final section related to the work in progress and current projects. Mr. Wrathell stated that he will stress that Grand Haven is a maturing community and major infrastructure items must be addressed. Mr. Kloptosky advised that his presentation will not be quick; he has over 300 pictures showing the major projects, throughout the community. Supervisor Davidson suggested that it be two (2) separate presentations; one (1) overall at the workshop or at a regular meeting, which is not at the budget public hearing meeting. Regarding splitting this into two (2) presentations, Mr. Kloptosky indicated that it would be difficult, as the PowerPoint was already completed. Mr. Wrathell suggested that the presentation for the Fiscal Year 2014 budget only contain a few photographs, such as those shown today; the major items. Mr. Kloptosky stressed that he still wants to give the full presentation to the Board. The Board agreed but it will not be during the budget public hearing meeting.

Supervisor Davison recalled that he asked Mr. McGaffney to update the comparative analysis of similar districts. He pointed out that this is a good tool to show residents who believe that Grand Haven's fees are too high. Discussion ensued regarding the analysis and tables on Mr. McGaffney's document. Mr. McGaffney clarified that he was not able to change certain items, as he did not have the originals. It was noted that the communities listed are all newer than Grand Haven and do not have similar infrastructure repair/replacement needs. Regarding differences in the data presented, Mr. McGaffney believes that the original contained averages, whereas his document contains actual numbers. Supervisor Davidson stated that using actual numbers might be confusing and suggested using averages. Mr. McGaffney indicated that would be difficult for him to determine. Supervisor Davidson felt that it is a simple process of averaging the numbers; the goal is to keep the analysis as simple as possible. Mr. Wrathell suggested using the same analysis that was completed last year, with the numbers updated. Supervisor Lawrence stressed using averages. Mr. Wrathell agreed. In response to Mr. McGaffney's question, Supervisor Davidson confirmed that the analysis is needed for the public hearing. Mr. Wrathell clarified that the analysis does not need to be in the agenda; it can be available. Supervisor Davidson asked that the analysis be emailed to the Board, prior to the meeting.

Supervisor Lawrence recalled Mr. Hunter's request, earlier in the meeting, for a GAD. The Board agreed to issue an additional GAD to Mr. Hunter.

D. Discussion: Status of CIP [TL]

This item was discussed during Item 6.C.

E. Consideration of District Counsel's Hourly Rate Increase

This item was addressed after Item 6.F.

F. Consideration of Contract Extensions for Emergency Debris Removal Services

i. Crowder Gulf

ii. DRC Emergency Services, LLC

Mr. Wrathell presented the contract extensions for the Board's consideration.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the Contract Extensions for Emergency Debris Removal Services with Crowder Gulf and DRC Emergency Services, LLC, were approved.

▪ **Consideration of District Counsel's Hourly Rate Increase**

****This item, previously Item 6.E., was discussed out of order.****

Mr. Wrathell presented District Counsel's hourly rate increase request for the Board's consideration.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, District Counsel's Hourly Rate Increase, was approved.

Supervisor Gaeta thanked Mr. Kloptosky for his work on the pictorial presentation. She feels that it will have a greater impact on residents, showing them how their money was spent.

G. Discussion: Draft Policy: Card Game Use of Café

Supervisor Davidson noted that he received an irate call from a representative of female card players who feel they should be able to play cards in the café anytime they want. He stressed that this must be addressed and the Board should set a policy. It was noted that an eblast

was sent advising residents of the hours. Mr. Wrathell suggested that the Board support AMG's decision and that there is no need to further discuss this matter.

H. Discussion: Plan for Chinier and Front Streets

This item was previously discussed.

I. Discussion: Guest Fee Policy

This item was previously discussed.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Mr. Wrathell commended Mr. Kloptosky for his work and for being proactive.

Supervisor Davidson indicated that a resident informed the District that her car was blocked in at the croquet court, for more than an hour, by vehicles belonging to people who were attending a party. He stressed that the District needs a parking policy.

Supervisor Davidson reported that two (2) exercise machines are broken at The Village Center. Mr. Kloptosky stated that the parts have been ordered.

In response to Supervisor Davidson's question, Mr. Kloptosky indicated that rekeying was completed and AMG paid the bill.

Supervisor Davison indicated that the CERT team replaced the missing stormwater medallions throughout the community.

Supervisor Davidson stated that he will forward the names of two (2) security companies to the District Manager to try to obtain quotes from them.

Supervisor Gaeta referred to the amenity contract and asked if the District's contract is with AMG or Vesta. It was noted that the contract is with AMG but Vesta bought AMG. Mr. McGaffney indicated that AMG still exists.

NINTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the meeting adjourned.

On MOTION by Supervisor Chiodo and seconded by Supervisor Smith, with all in favor, the meeting adjourned at 1:42 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair