

**MINUTES OF MEETING
GRAND HAVEN
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting and two (2) Public Hearings of the Grand Haven Community Development District's Board of Supervisors were held on **Thursday, September 5, 2013** in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137**. The Regular Meeting began at **3:00 p.m.**, with the Public Hearings commencing at **5:00 p.m.**

Present at the meeting were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Marie Gaeta (<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
Stephanie Spidell	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
Rick Staly	Flagler County Undersheriff
Patricia Malak	Resident
Joel Penny	Resident
Joe Avrelia	Resident
Gary Noble	Resident
David Alfin	Resident
Linda Struble	Resident
Ginger Richards	Resident
Gloria Schleith	Resident
Frank Benham	Resident
Rob Carlton	Resident
Warren Friedman	Resident
Brenda Gerber	Resident
Charlie Greer	Resident

Ronald Pelczynski

Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 3:07 p.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)**

Mr. Joe Avrelia, a resident, indicated that he is often precluded from using the pool at Creekside because of the water aerobics class held from 8:00 a.m., to 10:00 a.m. He noted that, often, five (5) or fewer women are participating in the water aerobics class. Based on the number of residents in Grand Haven, Mr. Avrelia estimated that the current system gives 0.13% of the residents exclusive access to the pool for eight (8) hours per week. He noted that the pool is open 101.5 hours per week, which means that 0.13% of the residents have exclusive use of the facility for 8% of the hours that the pool is open. Mr. Avrelia finds this appalling.

Recalling times when the pool was full for water aerobics classes, Mr. Avrelia suggested that the Board periodically revisit decisions, as interest in certain activities wanes.

Mr. Wrathell noted extensive discussion amongst the various parties involved and voiced his belief that, moving forward, accommodations will be made to resolve this issue for everyone and allow joint use of the pool.

Mr. Avrelia asked how the District will disseminate that information; most people do not go to the pool because they will be told to leave. Mr. Wrathell indicated that the details are being worked out.

Supervisor Davidson stated that Staff has worked diligently with the water aerobics group and others; a recommendation will be considered later in the meeting.

FOURTH ORDER OF BUSINESS

CONSULTANTS, GUEST REPORTS &
PRESENTATIONS

- **Considerations Regarding the Evaluation of CDD Security Firms; *Flagler County Undersheriff, Rick Staly***

Flagler County Undersheriff, Rick Staly, indicated that he is not speaking on behalf of any security company; he has the unique background to address the District's situation. He disclosed that he is a former law enforcement officer, owned his own security company but sold it last year to a national security company and now serves as the Flagler County Undersheriff.

Mr. Staly stated that he will provide the Board with insight regarding what to look for in its search for a security company. He noted that many factors differentiate security companies and why the bill rates vary anywhere from \$12 to \$18 per hour for unarmed security. Mr. Staly advised that the cost goes directly to the quality of the product that is provided; the adage "you get what you pay for" is extremely accurate in the security business. He explained that, for example, a company that lists a \$12 per hour rate is likely only paying their guards minimum or just above minimum wage and using part-time workers who receive little or no benefits or vacation.

Mr. Staly advised that, in order to start a security company in Florida, a \$300,000 general commercial liability insurance policy is required; a single incident could easily use up that entire amount, leaving the injured party to seek deeper pockets, such as the District.

Mr. Staly stated that, generally, a security company's profit margin is 8% to 10%, after paying its overhead.

Mr. Staly indicated that, for reference purposes, he is using information obtained from his former company website, which was not taken down by the new owner. Regarding part-time versus full-time employees, Mr. Staly voiced his opinion that quality is better if the company uses primarily full-time employees, as they tend to be more dedicated; security companies cut corners by hiring part-time employees. He stated that the District should consider whether the company specializes in the services needed and serves the same niche market of upscale, semi-private communities. Mr. Staly indicated that the District wants a security company that can handle the CDD's type of clients and their unique needs; they want guards that make a "good" first impression and are friendly.

Mr. Staly stated that many security companies charge their officers for their uniforms; the District should know who pays for the uniforms and the quality of the uniforms that the guards wear. He discussed the impact of the guards being properly uniformed and wearing quality uniforms, badges, etc., to present the desired image of the community.

Mr. Staly continued discussing ways that security companies try to cut costs, such as saying they offer benefits but the quality or affordability might not be beneficial to the employee. He mentioned other cost-cutting tactics that security companies utilize related to worker's compensation insurance, company and/or private vehicle insurance, liability insurance, bonded employees, rekeying community, employment practices insurance, how vehicles are equipped, tasks performed beyond standard security, such as catching snakes, changing tires and jumpstarting cars, GPS in vehicles for monitoring purposes, type of reporting services, and verification of patrol services and services when out of security car. He indicated that providing all of the desired things, not cutting costs on them, will increase the community's costs for security services.

Mr. Staly advised that the security industry is extremely competitive; most major security companies are "foreign-owned", which may be a consideration for the Board, when awarding the contract. He discussed the licensing requirements for security companies and security officers. Mr. Staly stated that he does not recommend "armed" security for the District, due to the degree of liability.

Mr. Staly discussed the training requirements for security officers. He noted that, under the current Florida provisions, security officers must complete a 40-hour course to obtain a "temporary blue card". Mr. Staly advised that, technically, a convicted felon can become a security guard because the state does not perform a background check prior to issuing a "temporary blue card". For this reason, Mr. Staly recommends that the RFP require the security contractor to complete background checks of its employees. He clarified that, once the state discovers that a "blue card" was issued to a convicted felon, it will be revoked; however, the state is sometimes four (4) or five (5) months behind in issuing a "permanent blue card". Mr. Staly explained the licensing process and procedures in Florida.

Mr. Staly suggested specifying training requirements in the RFP, if the District wants more than the 40-hour training. In response to Ms. Gaeta's question Mr. Staly recalled that licenses are valid for two (2) years and no additional training is required in order to renew a

license. Noting that, if the conviction is a few years old, the state will authorize someone with a petty theft conviction, Mr. Staly recommended that the District requires annual background checks and identifies what is acceptable, such as not allowing anyone with a theft conviction to work in the community.

Supervisor Lawrence noted that the current security contractor has a security supervisor, who meets weekly with the guards, oversees their work and provides training, etc. Mr. Staly asked if the District pays for the supervisor or if it is part of the regular contract. Supervisor Lawrence indicated that it is included in the contract. Mr. Staly stated that, generally, supervision is probably not happening, if the District is not paying for it, depending on the security company. Mr. Staly questioned what the supervisor does while on site and how the District really knows that the supervisor visits; he suggested that the RFP require an area supervisor, with a patrol verification system that monitors when the supervisor visits and that the District be provided with the verification reports. Mr. Staly stated that, otherwise, the security company will likely not have a supervisor visiting the community. Mr. Staly was willing to bet that supervisor visits are probably not occurring but voiced his opinion that now is probably an exception, only because the current security company knows that the contract is going out to bid.

Mr. Staly recommended that the District review the Ocean Hammock RFP for security services, as it is one of the best RFPs he has seen. He advised that Mr. Ken Neu is the person to contact and provided his telephone number.

FIFTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

- **Approval of August 15, 2013 Regular Meeting Minutes**

Mr. Wrathell presented the Consent Agenda Items for the Board’s consideration. He indicated that, due to the timing of today’s regular meeting, the Agenda was shipped prior to the end of August; therefore, unaudited financial statements were not included.

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

SIXTH ORDER OF BUSINESS

STAFF REPORTS

A. District Engineer**i. Sailfish Drive Drainage Project Status**

Mr. Skinner indicated that he and Mr. Kloptosky met with Besch and Smith Civil Group, Inc. (Besch and Smith), located in St. Augustine, to discuss the project. He advised that the project is ready to be bid by S.E. Cline and Besch and Smith. Mr. Skinner prepared an informal list of items and issues related to the project and provided it to Mr. Kloptosky. Mr. Kloptosky forwarded the information to District Counsel for his review.

Mr. Clark stated that he wants to clarify that the District is not selecting the contractor based on price, alone. Mr. Kloptosky indicated that the information will be provided to the two (2) contractors, once the revisions are completed. Mr. Skinner noted that Besch and Smith is ready to finalize their bid. Supervisor Davidson asked if Cline's prices remain current. Mr. Kloptosky advised that he spoke to Cline but did not provide them with the revised copy; however, during a telephone conversation, Cline felt that not many changes were necessary. Mr. Kloptosky will provide Cline with the revised information, once it is received. Supervisor Lawrence asked if Cline knows that another contractor is bidding. Mr. Kloptosky replied no.

Supervisor Gaeta asked the status of the permitting process. Mr. Skinner recalled that the Board agreed to delay permitting until the contractor is selected, as that is the easier route, with the City of Palm Coast.

Mr. Kloptosky recalled discussion, at a previous meeting, regarding the Marlin Drive pump house equipment issues. He noted that the Board discussed having city contractors bid on the project, as well as obtaining an expert opinion regarding the status of the pump house, deterioration factors and complete testing. Mr. Kloptosky advised that Mr. Skinner contacted an individual who is qualified to complete an assessment of the pump house; the cost for the assessment and report are pending.

*****Mr. Skinner left the meeting.*****

B. Amenity Manger**i. Water Aerobics at Creekside Pool**

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 stated that he and Supervisor Davidson met with representatives of the water aerobics class. The conclusion was that the District must find a way to share the pool. Mr.

Kloptosky advised that the water aerobics participants agreed to share the pool, on a trial basis, with the rope being removed; the class will accommodate and allow residents to use the pool, at the same time, with no incident or conflict. He suggested that a sign be posted stating that the pool is open to all residents, even during water aerobics sessions, so that residents are not turned away when they see the class in the pool. Mr. Kloptosky acknowledged that the matter must be revisited, if problems arise.

Supervisor Davidson indicated that the water aerobics participants police themselves so that everyone is respectful and considerate in sharing the pool. He suggested that Mr. Kloptosky be the arbiter determining whether the divider rope must be reinstalled, if the sharing arrangement does not work.

Mr. Kloptosky stated that consequences were discussed, in case the arrangement does not work, such as reinstalling the rope, limiting the water aerobics class time frame or readdressing the matter with the Board.

Supervisor Smith was skeptical of the proposed solution. He noted that the pool contains lap lanes; however, swimmers would likely avoid using the pool to swim laps while water aerobics is taking place. Supervisor Smith believes that another solution will be necessary, in the future.

Supervisor Lawrence agreed with Supervisor Smith but felt that the proposed solution should be tested. He feels that a rope should be in place that defines the water aerobics area from the free swimming area.

Supervisor Davidson stated that, logistically, it causes a problem if the water aerobics class cannot spread out in the pool and use various depths. He feels that the question is whether the presence of the water aerobics participants intimidates or discourages others from using the pool. Supervisor Davidson acknowledged that the facilitators must be retrained, as they were telling residents that they could not use the pool during water aerobics. Additionally, the community must be reeducated about the pool use and signage should be installed stating that the pool is open for use by everyone.

Supervisor Gaeta agrees with removal of the ropes and giving co-existence a trial run. She discussed the role of the facilitators.

Supervisor Chiodo pointed out that this situation is exclusive to the Creekside pool. He voiced his understanding that fewer residents participate in water aerobics at the Creekside pool,

meaning they should use less space. He is willing to give the proposed solution a chance but, if it does not work, a rope should be installed or another solution implemented.

Supervisor Gaeta asked how many participate in water aerobics.

Mr. Kloptosky stated that he pulled logs and found that six (6) to nine (9) people participate in the class at any given time; however, the class can have as many as 18 participants.

Ms. Patricia Malak, a resident, stated that it was always the water aerobics class' understanding that other swimmers were not allowed in the pool while the class was taking place, due to insurance reasons. She advised that the class is scheduled from 8:00 a.m., to 10:00 a.m., so that it concludes by the time the class at The Village Center pool commences; one (1) pool is always available for public use. Ms. Malak recalled the meeting regarding usage and stated that the water aerobics participants are amenable to sharing the pool. She noted that the class is very structured and discussed the need to access various parts of the pool. Ms. Malak stated that 15 people attend class every day, when they can, and a number attend at other times; the water aerobics class has a solid core group of participants. She stated that the participants support the proposed solution.

Supervisor Lawrence asked why the water aerobics class at Creekside is two (2) hours and the class at The Village Center is only one (1) hour. Ms. Malak stated that the Creekside class is more structured; it is an advanced class with one (1) hour of aerobics and 45 minutes of weight, strength and balance training, along with deep water aerobics.

Ms. Gloria Schleith, a resident, asked if a licensed instructor teaches the water aerobics class. Ms. Malak voiced her belief that none of the instructors are licensed; they are volunteers. Mr. Wrathell stated that the water aerobics class is not a CDD run or CDD sanctioned activity; the class consists of residents that come together; therefore, the requirements are different.

Supervisor Gaeta stated that she asked about the number of participants because she wonders if the pool has sufficient space to accommodate the class and others using it at the same time. Mr. Kloptosky indicated that the original suggestion was to split it in half. Mr. Kloptosky discussed other options, depending on the number of water aerobics participants.

Mr. Joel Penny, a resident, stated that he wants to use the pool but questioned what the rope dividing the pool means if there is no significance and the participants will not stay on one (1) side of the rope. He suggested stopping because he will not ask anymore; Mr. Penny does not want to tattle but, when he tried swimming on the public side of the pool, during water

aerobics, he was told by a water aerobics participant that it is “her spot and she is not moving”. Mr. Penny questioned why the class must be two (2) hours and suggested holding the class from 8:00 a.m., to 9:00 a.m., or from 9:00 a.m., to 10:00 a.m., and letting the other 1,900 residents use the pool sometime in the morning; he is willing to share.

Mr. Kloptosky agreed to be the arbiter of the situation but felt that he should bring matters before the Board, where it becomes confrontational. He does not want to arbitrarily determine whether to reinstall the rope as the Board already knows that having the rope in place does not solve the problem, based on what was heard.

Supervisor Smith suggested leaving the rope in place for now, discussing the matter in a workshop and moving forward with today’s business. Supervisor Gaeta agreed with discussing this at a workshop. Supervisor Davidson stated that the Board can only vote at a Regular Meeting such as today. If discussion is put off to a workshop, the situation would fester for another month. Dr. Davidson, therefore, called for a vote.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with Supervisors Lawrence, Davidson, Chiodo and Gaeta in favor and Supervisor Smith dissenting, removal of the dividing rope at the Creekside pool and readdressing the matter, if there is not peaceful coexistence between the water aerobics participants and other pool users, was approved. (Motion passed 4-1)

ii. Card System for Passive Use of Amenities

Mr. Ross recalled discussion regarding nonresidents who play cards or attend a Bible study class at Creekside. AMG suggests a fee of \$1 for nonresidents to participate in cards or Bible study at Creekside; nonresidents could purchase cards in bulk, ten (10) or 20 at a time, to be given to the facilitator, when resident cards are being scanned. Mr. Ross stated that the cards would be strictly limited to bible study participants and card players and would not include use of any other amenities. He stated that three (3) nonresidents play cards and four (4) attend Bible study.

Supervisor Davidson pointed out that the term “lecture series” is to be used instead of “Bible study”.

Supervisor Smith asked if there are no other activities, such as these, within the community.

Supervisor Chiodo asked if this would be on a trial basis and open to change, as needed. Supervisor Davidson replied yes.

On MOTION by Supervisor Smith and seconded by Supervisor Lawrence, with all in favor, the Passive Amenity Use Policy for card players and lecture series participants, as presented, was approved.

iii. Overnight Guest Pass

✓ **Village CDDs Guest ID Card Program Policy**

Mr. Ross recalled discussion regarding local guests being identified as “overnight guests” and requesting two (2)-week passes. The draft policy suggests granting a maximum 14-day guest pass, which can be renewed. The guest passes would be limited to four (4) per year.

Supervisor Davidson noted a recent upswing in the number of “overnight guests”, which is the result of people trying to avoid paying the \$10 guest pass daily fee.

Supervisor Davidson indicated that The Villages defines an “overnight guest” as someone who lives outside three (3) counties. In The Villages, overnight guests are also separated into “general” and “in area”; an “in area” guest is a direct relative of the resident and must be physically accompanied by the resident, at all times, in order to utilize the amenities.

Supervisor Smith suggested instituting a “stop gap” for today but further discussing a final policy during a workshop.

On MOTION by Supervisor Smith and seconded by Supervisor Davidson, with Supervisors Smith, Davidson, Gaeta and Chiodo in favor and Supervisor Lawrence dissenting, the Interim Overnight Guest Pass Policy, as presented but excluding Flagler County residents from being an “overnight guest”, was approved. (Motion passed 4-1)

Supervisor Davidson asked for other suggestions to be presented at the next workshop.

Supervisor Smith recommended that Management research policies in other communities and prepare a draft policy for the Board's discussion and consideration, at the next meeting.

iv. Daily Maximum Number of Guests Per Membership

Supervisor Davidson recalled that this matter arose from Mr. Jim Cullis, of Grand Haven Realty, wanting to bring prospective buyers to utilize the facilities. He noted that another CDD limits the number to eight (8); beyond eight (8), it becomes an "event", with a different set of rules. Although this matter relates to guests, Supervisor Davidson discussed the District's Amenity Rules as related to the maximum number of access cards that can be issued. He explained that the District's policy limits issuance to a maximum of two (2) per bedroom, meaning, for example, a three (3)-bedroom home would only be allowed six (6) smart amenity access cards (SAACs).

In response to Supervisor Lawrence's question, Supervisor Davidson confirmed that this discussion relates to paying guests. Supervisor Smith suggested that prospective buyers are not "overnight guests"; therefore, the District should follow its established policy and Mr. Cullis' guests should pay the \$10 fee.

The matter of the maximum number of "overnight guest" passes was deferred to the next workshop.

v. Maximum Number of Guest Passes

Supervisor Davidson clarified that the title of this item is incorrect; it should read "Maximum Duration or Length of Guest Passes". This item was deferred for discussion, at the next workshop, in conjunction with matter of the maximum number of "overnight guest" passes.

vi. Parking Problems During Creekside Special Events

Supervisor Davidson recalled that several residents' vehicles were blocked in at Creekside, when a special event was held. He stated that blocking vehicles is a violation of the Amenity Rules.

Supervisor Smith asked if the problem related to a resident having a private party and using the Creekside parking lot for overflow parking. Supervisor Davidson replied affirmatively; he believes that this item should be specifically included in the facility rental agreement, such that traffic must be completely controlled and vehicles cannot be blocked. Supervisor Davidson feels that, when this happens, it is a direct violation of the Amenity Rules and asked what action the Board should take regarding the violation.

Supervisor Smith suggested including this in the procedures and waiting to see if the problem recurs. Supervisor Lawrence asked District Counsel if a person can contact the sheriff and have a vehicle towed if it is blocking them in. Mr. Clark will research the statutes related to towing.

Supervisor Davidson directed Vesta to present language to be added to the rental agreements regarding parking.

vii. Gazebo Rental Policy

Mr. Kloptosky indicated that a resident asked to reserve the Center Park Gazebo. He noted that the gazebo was to be used for a wedding. The person made arrangements for guests to park in the golf club parking lot and shuttle them to the gazebo. Mr. Kloptosky stated that he brought this matter to the Board's attention because the reservation called for 100 people to attend and he was worried about the parking situation and wondered if the provision should be included in the reservation agreement.

Mr. Kloptosky indicated that he required the person to email her intentions regarding parking; if she does not follow through, she will be in violation of the reservation agreement.

Supervisor Davidson indicated that the Board must review the agreement and add language regarding parking, shuttle service, etc.

viii. 4-H Clubs

Mr. Ross indicated that he will meet with a 4-H representative to discuss options for children in the community. The representative suggested holding a community meeting at the end of September. The 4-H program is for children 12 to 18 years old. Mr. Ross stated that animals, animal welfare, computers, science and engineering are just a few of the topics. In response to Supervisor Gaeta's question, Mr. Ross confirmed that the program would be open only to Grand Haven children.

Mr. Ross reported that the Labor Day Party was a big success. Supervisor Davidson concurred and thanked Mr. Ross for the nice party.

▪ **BUSINESS ITEMS - Continued Discussion: Requests for Proposals**

i. Security Services

ii. Amenity Management Services

****This item, previously Item 7.C., was presented out of order.*

Supervisor Davidson recalled that the requests for proposals (RFPs) that were previously presented were drafts. The security services RFP was sent to ABM for their review and comments. The amenity RFP is closer to being completed, although it contains a few inconsistencies with current standards, such as facility hours, etc.

Regarding security services, Supervisor Davidson recommended that the District proceed on a month-to-month basis, with the current contractor, while the RFP is being finalized and the process is completed.

Supervisor Lawrence noted that the current security provider has a supervisor, who visits weekly, to provide oversight and training to the guards and recalls suggesting that this requirement be included in the RFP; however, it was not included. Mr. Wrathell stated that this requirement is already included in the RFP.

In light of Undersheriff Staly's presentation today, Supervisor Smith agreed with proceeding with the current security contractor on a month-to-month basis and deferring the RFP discussion to the next workshop. Supervisor Davidson agreed. In response to Ms. Schleith's question, Supervisor Davidson confirmed that neither RFP went out yet.

C. Field/Operations Manager

Mr. Kloptosky recalled that the Board asked him to provide information regarding current projects, within the community, along with the costs related to those projects. Mr. Kloptosky gave a PowerPoint presentation entitled "Grand Haven Community Maintenance & Capital General Infrastructure Improvements – Current Projects". He highlighted the budget and work performed, along with reviewing photographs.

Mr. Kloptosky indicated that The Village Center tennis court light repair project, being completed by B.A.B. Tennis, for \$40,000, is nearly complete. He confirmed that the new lights are consistent with the wind code requirements. The Esplanade bench erosion repair at the Jasmine footbridge, being completed by Seapeck Co., for \$7,040, is in the permitting phase. In response to Supervisor Gaeta's question, Mr. Kloptosky indicated that the bench was removed and installed elsewhere; it might be necessary to purchase a new bench once the work is completed.

The Wild Oaks Bridge post and rail repair project will be completed by Hayward Construction Group, LLC (Hayward), for \$39,824, pending receipt of the signed contract from the contractor. In response to Supervisor Davidson's question, Mr. Kloptosky confirmed that

Mr. Skinner recommended Hayward; it is their first project with the District. He indicated that Cline also bid on the project but their bid was significantly higher; the savings with Hayward were approximately \$10,000.

Regarding the Esplanade wooden footbridge railing project, to be completed by East Coast Building Corp., for \$7,800, Mr. Kloptosky advised that the work is in progress; the bridge is currently closed and work should be completed in one (1) week.

The contractor is pending for The Clubhouse Pier project. The estimated cost is \$60,000 to \$80,000 depending on the deck and railing material selected. He noted that all wood is the least expensive option, compared to composite. Mr. Kloptosky detailed the work to be completed and advised that both contractors being considered are capable of completing the work either way the Board chooses. He reported that the pier was secured to block entry.

Regarding the Pelican Court mailbox relocation project, being completed by Custom Home Improvements, for \$3,500, Mr. Kloptosky indicated that the project is underway.

The Village Center Café a/c repair project will be completed by various contractors, including Service 1st, Vern's Insulation, Custom Home Improvements and Nexstar Electrical Contractors, for \$42,880. He noted that the cost does not include permitting and engineering costs. In response to Supervisor Smith's question, Mr. Kloptosky stated that he will be the General Contractor (GC) for the project because other GCs wanted \$10,000 to monitor the project. Mr. Kloptosky is confident that a GC would do nothing different than what he will do. In response to Supervisor Gaeta's question, Mr. Kloptosky confirmed that two (2), five (5)-ton units will be installed rather than a single ten (10)-ton unit.

Regarding the Marlin Drive pump house repair project, Mr. Kloptosky advised that an estimate for \$57,000 was received from PBM Constructors, Inc. The estimate includes all other work except for the pumps and motors, as they are still good. An estimate to repair the building will be obtained at a later date; Mr. Kloptosky feels that the building is not the emergency. Considering that the golf course will pay the majority of the costs, Supervisor Lawrence asked if the golf course was made aware of what the District is doing. Mr. Kloptosky indicated that the golf course is aware of it but he has not talked to them about the estimated cost. Mr. Kloptosky stated that he did not contact anyone because he feels that District Counsel must be involved regarding the agreement. Mr. Clark stated that they discussed sending formal notices; however, he wants to complete the pier conveyances first.

Mr. Kloptosky estimated that The Village Center pool deck drain repairs will cost \$6,000; the contractor will be determined. He explained how the deck was originally installed and the subsequent installation of tiles; the entire process was completed incorrectly. Mr. Kloptosky detailed how the drain will be repaired.

Regarding the Creekside Road drainage repair project, the estimated cost is \$12,000; the contractor will be determined.

Mr. Kloptosky recapped the anticipated expenses of \$276,044 to \$296,044.

i. Pier Adjacent to Golf Club

o Composite vs. Wood

Mr. Kloptosky reiterated that the difference between using composite or wood is \$20,000, with composite being the more expensive option.

Mr. Kloptosky reported that reregistration is at 86%, with 1,596 of 1,853 households completed.

Supervisor Lawrence asked how many of the projects presented were known work, prior to the beginning of Fiscal Year 2013. Mr. Kloptosky indicated that the bench repair was known but the others were relatively new.

D. District Counsel

i. Pier Adjacent to Golf Club

This item was discussed after the Thirteenth Order of business.

ii. Waterside Parkway Ownership

This item was not addressed.

iii. Pump House Agreement

This item was discussed after the Thirteenth Order of business.

iv. Budget

This item was not addressed.

E. District Manager

i. Fiscal Year 2014 Proposed Meeting/Workshop Schedules

ii. Upcoming Regular Meeting/Community Workshop

o COMMUNITY WORKSHOP

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

▪ **October 3, 2013 at 10:00 A.M.**

- **BOARD OF SUPERVISORS MEETING**
 - **October 17, 2013, at 9:30 A.M.**

This item was discussed after the Thirteenth Order of business.

SEVENTH ORDER OF BUSINESS

BUSINESS ITEMS

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

i. Assessment Comparison

This item was discussed during the Thirteenth Order of Business.

B. Discussion: Status of CIP [TL]

This item was discussed during Item 6.C.

C. Continued Discussion: Requests for Proposals

i. Security Services

This item was discussed during the Thirteenth Order of Business.

ii. Amenity Management Services

This item was not addressed.

D. Discussion: Verbal Judo Class

i. Facilitators, Amenity Office Staff, Café Staff, FOM Administrative & Field Operations Staff, FOM, BOS, GHMA Board

This item was discussed after the Thirteenth Order of Business.

E. Update: Keeping Grand Haven Grand

i. Final Wrap-up [BOS]

ii. Planning for the Future [BOS]

iii. Consideration of Definition: Below Market Value Leases to Relatives

This item was discussed after the Thirteenth Order of Business.

EIGHTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

This item was not addressed.

*****The meeting recessed at 5:02 p.m.*****

****The meeting reconvened at 5:15 p.m.****

TIME CERTAIN: 5:00 P.M., PUBLIC HEARINGS ON BUDGET AND ASSESSMENTS

Mr. Wrathell stated that he will provide an overview of the Fiscal Year 2014 Proposed Budget. He stated that Mr. Kloptosky will give another presentation, at the workshop, regarding the infrastructure matters that the District has addressed, over the past five (5) years. Mr. Wrathell stressed that Grand Haven is a beautiful community; however, over time, the infrastructure has aged and, oftentimes, the construction of certain items did not meet the standards of a high profile community. He explained that many of the matters that the Board and Mr. Kloptosky had to focus on, over the last five (5) years, will continue into the future; the District must allocate financial resources to addressing the infrastructure failings, as they occur. Mr. Wrathell stated that a major focus of the Fiscal Year 2014 Proposed Budget is the “infrastructure reinvestment component”.

TENTH ORDER OF BUSINESS

Affidavits of Publication

The affidavits of publication for today’s Public Hearings and Regular Meeting were included for informational purposes.

ELEVENTH ORDER OF BUSINESS

197 Letter

A copy of the 197 Letter, which was sent to property owners, was included for informational purposes.

TWELFTH ORDER OF BUSINESS

Public Hearing to Consider Resolution 2013-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2013 and Ending September 30, 2014, Pursuant to Florida Law

Mr. Wrathell referred to the “proposed assessment” table, on Page 17, and noted that property owners who pay their taxes in November will actually pay 4% less than the amount reflected in the budget.

Mr. Wrathell indicated that the “Admin & Field Ops” assessment will be reduced by \$34.94, from last fiscal year. The “Infrastructure Reinvestment” assessment will increase by \$101.04. Mr. Wrathell noted that the Board and Mr. Kloptosky try to anticipate capital needs but many of the issues arise unexpectedly due to the aging infrastructure and/or poor construction. The “Debt Service Fund” assessment will increase by \$32.56. The proposed overall assessment increase, from Fiscal Year 2013 to Fiscal Year 2014, is \$98.68.

Mr. Wrathell reviewed the “Revenues” section, on Page 2, which reflects the District’s revenue sources. He explained how the 4% early pay discount is “netted” out of the anticipated revenues; the operating budget is based on revenues, after the discount is factored in.

Mr. Wrathell reviewed the “Professional & admin” expenditures, on Page 2, and provided a detailed, line-by-line explanation of the District’s expenditures. He highlighted that, with the conclusion of the R. A. Scott lawsuit, the “Legal - litigation” line item was reduced to zero, which is a great savings. Mr. Wrathell noted that the “Property taxes” line item was reduced from \$54,400, in Fiscal Year 2013, to \$5,000, in Fiscal Year 2014, resulting in additional savings, as the Colbert Lane assessment dropped off; the bonds were restructured in such a way that the assessment was eliminated. The \$50,505 Fiscal Year 2013 “Renewal and replacement” line item was reduced to zero, resulting in additional savings.

Mr. Wrathell detailed the “Field operations” expenditures, on Pages 3 and 4, and provided a detailed, line-by-line explanation of those expenditures. He noted that the “Insurance: property” line item might be underfunded, if the District acquires the pier. Mr. Wrathell indicated that the “Landscape maintenance contract services” line item increased slightly. The proposed budget allows for “Payroll” and “Merit pay/bonus” increases. The budget reflects an increase in the “Amenity Management” line item.

Mr. Wrathell explained the “Infrastructure reinvestment” section, on Page 4, and advised that the “Total infrastructure reinvestment” expenditure was increased from \$313,982 to \$662,000, in anticipation of upcoming infrastructure replacement and repairs, during Fiscal Year 2014. He indicated that the Board previously created a “Wish List” of infrastructure and capital related items; however, it created a lot of misunderstandings with residents. The Board created a more definitive list, while maintaining flexibility to address unforeseen items.

Mr. Wrathell discussed the “Fund balance - ending (projected)” breakdown, including the “Committed”, “Assigned” and “Unassigned” amounts. He stated that the District’s “Committed”

funds include \$500,000 for “Disaster” and \$300,000” for “Roads”; expenditure of these funds requires direct Board action, since they are “Committed”. Mr. Wrathell pointed out the \$634,171, under “Assigned”, for “3 months working capital”. The “Unassigned” amount is \$480,985; the Board has flexibility when expending these funds.

Mr. Wrathell noted that detailed descriptions of all expenditure line items are provided on Pages 6 through 13.

Mr. Wrathell reviewed the “Debt Service Fund” budgets and amortization schedules, related to the District’s Series 2001A and Series 2008 bonds, on Pages 13 through 16, noting the associated revenues and expenditures. He pointed out that the District’s interest rates, on the bonds, are very good. Mr. Wrathell explained the interest and principal and interest payments and the respective due dates. Regarding the “Projected fund balance” for each bond series, Mr. Wrathell advised that the Board has always been prudent in leaving the fund balance as reserves.

Mr. Wrathell discussed “Exhibit 4”, which is a draft of the anticipated capital projects and corresponding expenditures for Fiscal Year 2014; the list might change, if other projects arise or projects cost more than anticipated.

*****Mr. Wrathell opened the Public Hearing.*****

Ms. Schleith referred to the list of potential capital projects that Mr. Wrathell spoke about and asked if the Board can use the capital budget funds for anything they want. Mr. Wrathell stated that the Board, as the policy making body, has discretion to alter the budget during the fiscal year. In response to Ms. Schleith’s question, Mr. Wrathell stated that the Board is not considering the croquet courts in the budget.

Ms. Schleith recalled speaking at a prior meeting and stated that she has a problem because all of the work completed in the community is on Front Street, in Wild Oaks or Waterside Drive. She feels that residents from other neighborhoods get nothing for the assessments that they pay. Ms. Schleith discussed vines growing behind her home. She wants confirmation that this budget contains “something” for residents in other parts of the community.

Regarding vine removal, Supervisor Davidson pointed out that \$50,000 is budgeted to address the vines; additionally, he will try to obtain federal funds for Firewise mitigation. Supervisor Davidson and others will tour the community and prioritize areas for this work.

Supervisor Lawrence acknowledged Ms. Schleith’s vine issue but noted that it will be an ongoing project for several years; the District has lots of vines.

Mr. Richard Schaefer, a resident, stated that his home abuts the preserve. He observed that the area has grown a lot and asked when it will be addressed.

Supervisor Davidson stated that the areas will begin to be prioritized and addressed in the coming fiscal year.

Mr. Schaefer asked what the bonds were issued for. Mr. Wrathell stated that bond funds were used to build the amenities, buildings and the water, sewer and drainage systems. Mr. Schaefer asked about the Colbert Lane expense. Supervisor Davidson advised that the expense was paid off.

Mr. Schaefer recalled discussion of the infrastructure and asked what is going on and if there are problems. He confirmed that he was not present for Mr. Kloptosky's presentation.

Mr. Wrathell explained various recent infrastructure issues, due to the aging community and/or poor construction.

Mr. Kloptosky indicated that, at the next workshop, he will give a presentation of the infrastructure and other matters addressed over the past five (5) years; he encouraged Mr. Schaefer to attend the workshop.

Mr. Schaefer reported that the streetlight by his home comes on during the day. Mr. Kloptosky stated that the matter will be addressed.

Supervisor Lawrence recommended notifying residents about Mr. Kloptosky's upcoming presentation.

Mr. Roy Search, a resident, referred to the "Unassigned" fund balance and asked if it takes a majority or 100% vote of the Board Members to use the funds. Mr. Wrathell stated that the "Unassigned" fund balance does not specifically require Board action in order to spend the funds; the Board operates within the budget parameters and the "Unassigned" fund balance would typically be used when an unforeseen event occurs or expenditures exceed the budgeted amount. Mr. Wrathell discussed other scenarios when the funds might be used.

Mr. Search voiced his hope that a rule would be made such that the "Unassigned" fund balance money could only be used if all five (5) Board Members vote in favor of spending it. He feels that special interests could serve their interests if only three (3) votes are necessary for something to pass. Furthermore, Mr. Search feels that Board action should be required prior to spending any of the "Unassigned" fund balance.

In response to a comment by Mr. Search, Mr. Wrathell clarified that the Board controls how the money is spent; he explained that the Board approves when money is spent on anticipated and unforeseen projects, when contractors are hired to perform work, etc. Mr. Wrathell reiterated that the “Unassigned” fund balance is usually used when expenditures exceed the budgeted amount. He further explained that the Board must take action to spend money on projects that fall outside the scope of the adopted budget, which is what the funds will be used for.

Mr. Search reiterated his opinion that the “Unassigned” fund balance money should only be spent with 100% approval of the Board.

Supervisor Chiodo assured Mr. Search that, if any new significant projects arise, the Board will vote; however, a unanimous vote is not required.

Mr. Wrathell differentiated the “Committed” fund balance category, which is the stringent category requiring Board action. The “Assigned” category carries an assigned use. He stated that the “Unassigned” funds would be used if something falls outside the adopted budget; the only time the funds would be used without a Board decision would be in the event of a catastrophic event, such as a hurricane, and there is not time to advertise and/or meet as a Board.

Mr. Search asked if all five (5) Board Members must vote in favor of the budget in order for it to be adopted. Mr. Wrathell replied no. Mr. Search stated that he does not understand why every Board Member does not have a “say” in the budget. Mr. Wrathell indicated that all of the Board Members have a “say” in the budget and all of them vote on it. Supervisor Chiodo noted that they all vote; however, it does not require a unanimous vote to adopt the budget. Mr. Wrathell advised that majority rules in a vote. Mr. Search voiced his opinion that this situation allows special interests to come in; he feels that it should take everyone’s vote to approve the budget.

Supervisor Gaeta stated that the entire Board devotes an enormous amount of time to developing the budget and dissecting each and every line item and project contained in the budget. She indicated that the Board has been extremely proactive in not being frivolous. Supervisor Gaeta noted that the Board Members also pay assessments and residents must understand that the Board does not simply add line items that are not necessary; the District is required, by law, to maintain the existing amenities.

Mr. Search reiterated his beliefs.

Ms. Janet Search, a resident, stated that she maintains the Firewise area behind her home and asked if the Board can encourage more residents to do the same. Supervisor Davidson indicated that the District can send notifications.

Mr. Deary pointed out that he attends a lot of community meetings, in the area, and finds that Mr. Wrathell and the Grand Haven CDD provide the most detailed and informative presentation and budget of anyone. He hopes that the residents appreciate that.

*****Mr. Wrathell closed the Public Hearing.*****

Mr. Wrathell noted that the Public Hearings were properly advertised and the 197 Letters were mailed to property owners.

Mr. Wrathell presented Resolution 2013-10 for the Board's consideration and read the title into the record:

"THE ANNUAL APPROPRIATION RESOLUTION OF THE GRAND HAVEN COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014"

<p>On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, Resolution 2013-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2013 and Ending September 30, 2014, Pursuant to Florida Law, was adopted.</p>
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THIRTEENTH ORDER OF BUSINESS

Public Hearing to Consider Resolution 2013-11, Imposing Maintenance and Operation Special Assessments to Fund the District's Proposed Budget(s) for Fiscal Year 2013/2014; Adoption of an Assessment Roll and the Levy, Collection and Enforcement of Special Assessments; Providing for Amendment of the Assessment Roll; Providing A Severability Clause; and Providing an Effective Date

Mr. Wrathell presented Resolution 2013-11 for the Board's consideration and read the title into the record:

"A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GRAND HAVEN COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS AND CERTIFYING AN ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE"

On MOTION by Supervisor Chiodo and seconded by Supervisor Lawrence, with all in favor, Resolution 2013-11, Imposing Maintenance and Operation Special Assessments to Fund the District's Proposed Budget(s) for Fiscal Year 2013/2014; Adoption of an Assessment Roll and the Levy, Collection and Enforcement of Special Assessments; Providing for Amendment of the Assessment Roll; Providing A Severability Clause; and Providing an Effective Date, was adopted.

▪ **STAFF REPORTS - District Counsel - Pier Adjacent to Golf Club**

****This item, previously Item 6.D.i., was presented out of order.****

Mr. Clark indicated that the acquisition is taking longer than expected. He is finalizing the revision to the conveyance document and escrow agreement for taxes. The conveyance is expected to be completed in the next few days. He discussed issues related to the acquisition, including that the pier parcel does not have an adequate legal description; he recommended that the District obtain a legal description, just short of surveying the property.

The Board agreed with Mr. Clark's suggestion.

▪ **STAFF REPORTS - District Counsel - Pump House Agreement**

****This item, previously Item 6.D.iii., was presented out of order.****

Mr. Clark indicated that his item is on hold pending more investigation of the maintenance issues. He recommended sending a notice to the former and current golf course owners regarding their obligations.

▪ **STAFF REPORTS - District Manager**

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

Mr. Wrathell recalled that, under the previous District Manager, ADP did not set up the state unemployment component correctly, which means that the rate was not equivalent to that of

a governmental entity. He noted that, without penalties, it is not a tremendous amount of money; however, the issue hung for a period of time. Mr. Wrathell discussed changes to the billing address, resulting in Management not receiving the bills. Management tried to resolve this for the past year and demanded a response from ADP by this Friday; otherwise, the District may pursue litigation. ADP indicated that they will respond by Friday. Mr. Wrathell explained that his demand letter stated that, if ADP cannot rectify the situation, the District expects them to pay the fine. In response to a question, Mr. Wrathell voiced his belief that the contract is with ADP corporate, not an independent branch.

Supervisor Chiodo asked if the state refused to back off. Mr. Wrathell indicated that Management appealed to the state, given the circumstances; however, the state was unsympathetic. In response to a question, Mr. Wrathell advised that the penalty is now \$30,000 but he does not want the District to pay it and then fight it; he wants ADP to resolve the problem. Mr. Wrathell voiced his feeling that the District has a lot of documentation proving that ADP did not set it up correctly and that the state changed the address without authorization. Mr. Wrathell estimated that the actual error amounts to a few thousand dollars; the majority owed is due to the penalty rate.

Mr. Clark suggested that he send a letter to ADP if they fail to respond by Friday.

▪ **STAFF REPORTS - District Manager - Fiscal Year 2014 Proposed Meeting/Workshop Schedules**

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

Mr. Wrathell presented the Fiscal Year 2014 Proposed Meeting and Workshop Schedules for the Board's consideration. The Board agreed to eliminate the January 2, 2014 workshop and move the July 3, 2014 workshop to Thursday, July 10, 2014. Supervisor Chiodo suggested that the July workshop could be cancelled, if it is not needed.

On MOTION by Supervisor Chiodo and seconded by Supervisor Lawrence, with all in favor, the Fiscal Year 2014 Proposed Meeting and Workshop Schedules, with the Workshop Schedule amended to eliminate the January 2, 2014 Workshop and move the July 3, 2014 Workshop to Thursday, July 10, 2014, and directing Staff to advertise, accordingly, were approved.

- **STAFF REPORTS - District Manager - Upcoming Regular Meeting/Community Workshop**

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

- **COMMUNITY WORKSHOP**
 - **September 19, 2013 at 10:00 A.M.**
 - **October 3, 2013 at 10:00 A.M.**

The next workshops are scheduled for September 19, 2013 and October 3, 2013.

- **BOARD OF SUPERVISORS MEETING**
 - **October 17, 2013, at 9:30 A.M.**

The next meeting is scheduled for October 17, 2013 at 9:30 a.m.

- **BUSINESS ITEMS – Continued Discussion: Requests for Proposals**

****This item, previously Item 7.C., was presented out of order.****

Supervisor Davidson recapped that input was received from the current security provider and Undersheriff Staly. Mr. Wrathell stated that Mr. McGaffney will create a list of all of the suggestions for the Board's review, at the workshop.

Regarding the September 19, 2014 workshop, Supervisor Davidson indicated that Ms. Leister will attend to discuss Chinier, including the proposed costs and a "mock up" of the plan. The croquet court repair contractor is scheduled to give a presentation. Supervisor Lawrence suggested deferring the croquet court presentation. Mr. Kloptosky will contact the croquet court contractor to cancel his presentation.

Supervisor Lawrence stressed the need to notify residents of Mr. Kloptosky's upcoming presentation and encourage them to attend the workshop, as it is evident that residents do not understand what the District has done and the infrastructure needs. Supervisor Chiodo suggested emailing residents.

Regarding the RFP for amenity management services, Supervisor Davidson recommended that the Board review it.

Supervisor Gaeta pointed out that the information about the Community Directory should be removed. Supervisor Davidson asked if the District should receive a refund from AMG for the Directory. Mr. Deary advised that the District received the refund two (2) years ago.

Mr. Deary noted that the Café operating hours are not correct.

Supervisor Lawrence asked when the RFP must be advertised. Supervisor Davidson stated that there is no deadline; the District can continue the current contract on a month-to-month basis.

Mr. Wrathell suggested that the Board not go into crisis mode; they should take the time to fine tune the RFPs and extend the existing contracts on a month-to-month basis.

▪ **BUSINESS ITEMS - Discussion: Verbal Judo Class**

Facilitators, Amenity Office Staff, Café Staff, FOM Administrative & Field Operations Staff, FOM, BOS, GHMA Board

****This item, previously Item 7.D.i., was presented out of order.*

Supervisor Davidson indicated that 37 individuals are interested in attending the class. Two (2) classes will be held.

Mr. Kloptosky will coordinate the classes and times with the instructor.

Supervisor Davidson asked if more than one (1) Supervisor can attend the same class, without advertising it. Mr. Clark advised against it.

▪ **BUSINESS ITEMS - Update: Keeping Grand Haven Grand**

Final Wrap-up [BOS]

Planning for the Future [BOS]

Consideration of Definition: Below Market Value Leases to Relatives

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

Supervisor Davison reiterated that 1,596 households, or 86% of the households, have reregistered. Village Oaks and The Reserve had the highest percentage of responses, at 97%. Wild Oaks and Creekside had the lowest percentage of responses, at 64%.

Regarding gate access devices (GADs), Supervisor Davidson reported that nearly 2,100 were deactivated. The District currently has 3,151 active GADs.

Supervisor Davidson asked if the facilitators are now conducting random scanning of the Smart Amenity Access Cards (SAACs). Mr. Ross indicated that mass checking will be conducted for the next two (2) weekends; SAACs are being randomly checked during the week. Supervisor Davidson noted that the Board might reconsider mass scanning during school holidays and for a period of time when the snowbirds return.

Supervisor Chiodo asked how many people are turned away. Mr. Ross estimated that at least nine (9) were turned away on the weekend.

Regarding below market value leases to relatives, Supervisor Davidson reported a person who is “gaming the system”. The individual has a \$300 lease and is claiming that he is repairing the house in exchange for services. Supervisor Davidson confirmed that the GHMA already declared this to be a below market value lease and are beginning attempts to impound the \$300 per month rent. He indicated that this particular property already has a long history of unpaid assessments and other matters. The property owner last registered the property in 2006. The person was given GADs and SAACs but those were cancelled, once it was discovered that this was a below market value lease. The person then presented an email claiming that he is a cousin of the owner; however, under the Grand Haven terms, below market value leases are valid for immediate relatives only. Supervisor Davidson indicated that the GADs and SAACs will be deactivated once again and asked for the Board’s support.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, deactivation of GADs and SAACs for properties violating Board policy, was approved.

FOURTEENTH ORDER OF BUSINESS ADJOURNMENT

There being nothing further to discuss, the meeting adjourned.

On MOTION by Supervisor Smith and seconded by Supervisor Lawrence, with all in favor, the meeting adjourned at 7:05 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair