

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

A Regular Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, May 16, 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
Marie Gaeta	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	Amenity Management Group (AMG)
Roy Deary	Amenity Management Group (AMG)
Barry Kloptosky	Field Operations Manager
Steven Klecka	S K Engineering, LLC
Vic Natiello	Resident
David Alfin	Resident
Gloria Schleith	Resident
Diane Layng	Resident
Rich Burns	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 9:37 a.m., and noted, for the record, that Supervisors Davidson, Gaeta, Lawrence and Smith were present, in person. Supervisor Chiodo was not present.

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. Gloria Schleith, a resident, distributed photographs of the pond in her backyard. Noting that she has allergies, Ms. Schleith stated that the conditions are so bad that she cannot sit outside. She indicated that, although the pond was treated, everything came back, after the rains. Ms. Schleith showed photographs of a person's property where vines are going into the lake. She stressed that the Board must do something regarding the pond, as the slime is more than she can take; no other properties have this problem. Ms. Schleith warned that, if the District does not do something about the problem, she will call the environmental authorities; the conditions are pathetic. She asked what can be done.

Mr. Vic Natiello, a resident, stated that he is impressed with the enthusiasm and work of the night facilitators at The Village Center; they remain busy maintaining, fixing things, cleaning, etc. Regarding the café, Mr. Natiello voiced his concern that a manager might not be on duty every night that alcohol is being served; he recalled that the café previously had three (3) managers but the number was reduced to two (2).

Ms. Diane Layng, a resident, thanked the Board for all that they do. Noting that the Board has very explicit procedures, she asked if it is a Board Member's responsibility to turn the matter over to the appropriate person, when a resident contacts them, rather than the Board Member taking the matter on and possibly making promises of action that cannot be taken without the Board's approval. Ms. Layng reported that she is aware of at least twice when this occurred and questioned if this is how the Board wants things to happen.

▪ **District Engineer**

i. Sailfish Drive Drainage Improvements

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

Mr. Skinner recalled that 95% completed drawings were presented at the workshop for the Board's review and comments.

Supervisor Smith reported that, although the community received 8" of rain over the last two (2) weeks, Sailfish Drive drained well, with the exception of one (1) puddle, where there is a depression in the road. He recalled that the proposed solution is to regrade the entire road.

Mr. Skinner stated that the entire road cannot be regraded. The plan is to install three (3) or more additional drains in the problematic areas; the curb elevation limits the ability to regrade the road.

Given the large amount of rain and only one (1) puddle, Supervisor Smith questioned if there are alternatives to address the single puddling problem, other than the current \$80,000 plan. Mr. Skinner indicated that the problem presented was puddling water and the only way to eliminate puddling water is to improve the slope or add drains. Mr. Skinner stated that Genesis developed a plan to solve the problem, in terms of the specific area.

Mr. Kloptosky stated that other alternatives were explored, prior to Genesis becoming District Engineer; however, the conclusion was that those alternatives would provide only a temporary fix or divert the water to another area, thereby creating a new problem.

Supervisor Lawrence noted that the water seems to puddle in front of a single driveway and asked if one (1) drain could be installed in that area.

Supervisor Gaeta agreed that water seemed to be draining from Sailfish Drive.

Mr. Skinner recalled that, when Genesis was originally tasked with developing a plan, there were complaints of standing water in several locations; therefore, the plan was developed to address those areas. He discussed how a drainage system functions. Mr. Skinner noted that the previous District Engineer proposed a more elaborate repair plan. He asked if the Board now wishes for Genesis to address only one (1) area on Sailfish Drive, rather than all three (3) areas. Mr. Skinner stated that the plan targets the problem areas that held water.

Mr. Kloptosky recalled that the solution that Genesis was asked to provide was intended to be the final solution. He stated that minor repairs or patches can be done; however, part of the problem is that there are low spots and area raises and, as time goes on, the problem will worsen because the curbs and aprons will continue to rise. The plan proposes to fix the curb and root issues, along with installing drains. Mr. Kloptosky summarized that, even if the single puddle is fixed now, there will be additional problems in the future; the goal of the proposed plan was to alleviate the whole problem.

Supervisor Lawrence recalled that the as-built slope was not adequate in that area.

Mr. Skinner indicated that the as-built survey reveals a flat or minimum slope which can lead to ponding and puddling.

Supervisor Gaeta asked how critical the problem is that the work must be completed now. Mr. Skinner indicated that it is not his decision; the criticalness is a matter of the Board's and

community's point of view. Mr. Skinner advised that the problem is not causing harm; it is a nuisance to the Sailfish Drive residents.

Noting that the problem seems isolated to one (1) driveway, Supervisor Lawrence asked the total cost to install a drain in only that location. Mr. Skinner stated that the project cost would be reduced by approximately 25%. Regarding the overall plan, Mr. Skinner advised that Genesis is working by good engineering practices, in terms of the as-built surveys. If the District directs it, Mr. Skinner will modify the plans.

Supervisor Smith acknowledged that Mr. Skinner was responsive to what the Board asked for; however, the Board might be rethinking what it wants. Voicing his opinion that this problem will eventually be a problem on every road in Grand Haven, Supervisor Smith asked how the matter can be mitigated or spread over time, using less money; the District cannot afford to spend \$80,000 to fix every puddle that develops.

Discussion ensued regarding installing a single drain.

Supervisor Lawrence pointed out that the bulk of the road cutting, etc., is still necessary; therefore, reducing the scope to one (1) drain offers little savings. He felt that, if the work proceeds, each low area should be addressed.

Mr. Skinner discussed the single drain concept and the work involved.

Supervisor Smith reviewed the proposed plans and questioned only a 25% savings by reducing the number of drains from three (3) to one (1).

Mr. Kloptosky noted a similar problem in the community that was just brought to his attention. He explained that he met with a contractor to obtain preliminary ideas and the solution seems to be as simple as adding a drain, completing minor curb work and tying into the closest point of the existing storm drain.

Regarding Sailfish Drive, Mr. Kloptosky asked the nearest tie-in location, if they cut the curb and installed one (1) drain at the worst puddling area. Mr. Skinner indicated that the drain would be about half way between two (2) tie-in locations. Mr. Skinner stated that additional research is needed in order to develop a plan, if only one (1) drain will be installed.

Supervisor Lawrence agreed that more puddling problems will develop, over the years. He stated that the Board is seeking a generic, low cost, solution; what is the least expensive way to eliminate a puddle. Mr. Skinner will research solutions.

FOURTH ORDER OF BUSINESS

CONSULTANTS, GUEST REPORTS &
PRESENTATIONS**A. Escalante Pier: *S K Engineering, LLC* [Steven Klecka, P.E.]**

Mr. Steven Klecka, of S K Engineering, LLC, indicated that the straight pier section, from the west bank to the gazebo, is built to the building code; however, the portion from the gazebo is not built to code. He noted that the handrails were not built to code and are failing, for the entire system. The gazebo roof is in good condition but the roof connections could not be inspected, as they are wrapped with wood; however, rust staining was observed, coming through the paint, so the problem must be addressed, in order to save the roof structure. Regarding deck boards, approximately 10% must be replaced. Mr. Klecka stated that all of the hardware on the pier is galvanized steel but stainless steel should have been used. The underwater piles are in good condition, except for the center pile, under the gazebo.

In response to a question, Mr. Klecka stated that it would be very expensive to replace the center pile; enough is remaining, such that he recommends jacketing it with reinforced concrete.

Supervisor Lawrence summarized that the foundation is in good condition but the wall studs must be replaced. Supervisor Lawrence asked Mr. Klecka's opinion regarding repairing the pier. Mr. Klecka felt that the pier is worth repairing; the bottom of the structure is well built.

Regarding obtaining preliminary estimates, Mr. Kloptosky indicated that he provided copies of both the S K Engineering, LLC, and Logan Diving reports to four (4) bidders. He asked the contractors to bid the project based on the repair recommendations contained in the reports, as well as to provide alternative repair methods to those recommended. Mr. Kloptosky voiced his opinion that the entire deck should be replaced.

Mr. Wrathell pointed out that the City will likely require permits and that the deck be brought up to code.

Mr. Kloptosky stated that the estimates are preliminary and do not include engineering costs, drawings, permitting, etc.; he must complete an in-depth review. The bids ranged from \$35,000 to \$45,000; however, a few do not include electrical costs. He summarized that the estimates are very rough.

In response to a question, Mr. Klecka confirmed that pine is one of the best types of wood to use.

Mr. Kloptosky stated that he also wants to investigate the possibility of replacing the railings with marine rated aluminum or metal.

In response to a question, Mr. Kloptosky confirmed that access to the pier was already blocked and signage was installed.

Supervisor Davidson summarized that Mr. Klecka believes the structure is worth saving, rather than demolishing and rebuilding. Mr. Klecka reiterated that it is worth saving; additionally, the pier is grandfathered in and repair permits are easier.

Supervisor Lawrence asked Mr. Clark the status of negotiations with the owner of the pier. Mr. Clark indicated that the attorney for Grand Haven Developers informed him that they are willing and interested in conveying the pier to the District. Grand Haven Developers is also researching other property that they want to convey to the District. He feels that conveyance would be expedited, whenever the District is ready.

Supervisor Davidson asked the Board if they are prepared to authorize District Counsel to proceed with the conveyance.

Supervisor Smith indicated that he would be more comfortable giving Mr. Kloptosky more time to firm the estimates, so that the District better understands the liability it is taking on.

Mr. Wrathell pointed out that, if the pier is not conveyed to the District, Grand Haven Developers could decommission the pier. The question is whether the District wants the pier as an asset or if it wishes to no longer have a pier.

Supervisor Lawrence felt that the Board views it as a valuable asset. He recalled that Grand Haven Developers is willing to convey it, whenever the District is ready. Supervisor Lawrence agreed that the District should give Mr. Kloptosky additional time to obtain definitive cost estimates.

Mr. Kloptosky acknowledged Supervisors Smith and Lawrence's concerns; however, he feels that the decision of whether the District wants the pier will not change, regardless of the costs. He questioned the benefit of postponing acquiring the asset. Repairs could be postponed, once the pier is conveyed to the District.

Mr. Wrathell stated that the Board must determine whether it wants to budget the repairs for Fiscal Year 2014 or proceed this fiscal year with it being an unbudgeted expense. He felt that budgeting for Fiscal Year 2014 is the fiscally prudent approach; however, that would render the pier unusable between now and October. If the Board wants to budget the repairs for Fiscal Year 2014, it is not imperative to have the pier conveyed quickly.

Mr. Clark indicated that a legal description might need to be developed for the pier.

The Board agreed to delay the conveyance until Mr. Kloptosky obtains more accurate cost estimates.

Ms. Layng asked if the Board evaluated the pros and cons of acquiring the pier. She noted that the District already has another pier. Ms. Layng questioned how often the pier is used. With regard to the budget, she feels that there are other areas with more safety concerns; the pier is only a safety concern if it is used. Ms. Layng voiced her concern that the District might be investing in something for aesthetic purposes and questioned if the Board is simply going along with it for aesthetic purposes.

Mr. Kloptosky indicated that the pier is used by many people in the community.

Supervisor Lawrence pointed out the risk that Grand Haven Developers could block the pier and let it rot, if the District does not acquire it. He feels that it could become an eyesore.

Supervisor Davidson stated that the pier is always in use. Additionally, it is part of the amenity package that the District is pledged to preserve and repair. He favors acquiring the pier and repairing it, within reasonable costs.

Supervisor Gaeta agreed with Supervisor Davidson that the pier should be maintained.

In response to a question, Mr. Wrathell indicated that Mr. Cullis does not own the pier.

Mr. Kloptosky advised that the property appraiser still lists the strip parcel, on the right side of the entrance, as belonging to Grand Haven Developers. The same is true for another parcel on Colbert.

Mr. Clark recalled that the parcel by the entrance was previously researched. It was determined that it had an encroachment and the District decided to let it be someone else's problem. Regarding the conservation area, he stated that the Board will need to determine whether it wants to own it.

Mr. Natiello commented that, once the District owns the pier, it becomes an amenity and rent can be charged for events such as weddings, when they are held there.

FIFTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

A. Approval of Minutes

- i. April 4, 2013 Community Workshop**
- ii. April 18, 2013 Regular Meeting**

B. Approval of Unaudited Financial Statements as of April 30, 2013

C. Consideration of Resolution 2013-6, Designating Persons Authorized To Issue Trespass Notices or Request Trespass Orders

Mr. Wrathell presented the Consent Agenda Items for the Board’s consideration. Regarding the Unaudited Financial Statements as of April 30, 2013, Mr. Wrathell reported that assessment collections were at 95%.

Supervisor Davidson noted a transfer from the State Board Administration (SBA) B account into an A account. Mr. Wrathell discussed the SBA’s investments, the market collapse, current conditions and confirmed that the shift of funds from B to A is a good occurrence.

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

Supervisor Smith pointed out that a \$150,000 balance still appears under litigation. Supervisor Davidson concurred and indicated that it appears in three (3) locations and should be removed for the next budget year.

SIXTH ORDER OF BUSINESS

STAFF REPORTS

Mr. Wrathell announced that Mr. McGaffney has joined Wrathell, Hunt and Associates, LLC. He thanked Mr. Deary and everyone at AMG for a smooth transition.

A. Amenity Manger

Regarding Mr. Natiello’s earlier question about café management, Mr. Ross acknowledged that AMG is changing the café staff in an effort to hire more mature employees. A new employee is being trained as a manager.

Mr. Ross indicated that the facilitators have been checking the Smart Amenity Access Cards (SAACs); certain groups are doing a better job of having their cards with them.

In response to Mr. Kloptosky’s question, Mr. Ross confirmed that every card scanned successfully.

Discussion ensued regarding notifying the community through a public information campaign.

Supervisor Davidson noted that a rumor is circulating that the scanning system is not working and is a waste of time and money. He stressed the need to quash rumors and misinformation spread by a few community members.

Mr. Ross stated that two (2) lights on the tennis courts came down. As the lights are wired as a series, the tennis courts currently do not have lights. Mr. Kloptosky indicated that this matter is on his report.

Mr. Ross noted that an event will be held on Memorial Day.

Supervisor Gaeta stated that residents want to know if the Memorial Day event tickets will be refunded, if the event must be cancelled due to weather. She also asked if tickets can be purchased at the door. Mr. Ross indicated that tickets can be purchased at the door. He confirmed that a “rain date” will be determined.

Regarding Mr. McGaffney’s departure, Mr. Deary assured the community of a smooth transition for Grand Haven. AMG is committed to the community. In response to Supervisor Davidson’s question, Mr. Deary explained that Mr. Joe Montagna will assume the supervisory roll.

B. District Engineer

i. Sailfish Drive Drainage Improvements

This item was discussed earlier in the meeting.

C. Field/Operations Manager

i. Marlin Drive Pump House

This item was discussed after Item C.ii.

ii. Village Center Tennis Court Lights

Mr. Kloptosky stated that footings were previously replaced on four (4) lights; however, the actual lights were not replaced. As a result of the recent storms, the wind blew one (1) of the lights over and another had to be taken down, due to damage. He noted that light poles on Courts 1 through 4 are older and 12 need immediate work. In response to a question, Mr. Kloptosky advised that the poles in question are 4” in diameter; the newer courts have 6” tapered poles, which are better and stronger.

Regarding replacement poles, Mr. Kloptosky indicated that wider poles, at least 5” diameter, or the 6” diameter tapered poles were recommended to him. He obtained a quote of approximately \$5,400, per pole, for the purchase and installation of the 5” diameter poles. He felt that a better price could be negotiated if more poles are replaced at the same time. The 6” diameter tapered poles cost \$825 more, per pole. Mr. Kloptosky stated that the poles under consideration are galvanized steel, which is better grade than what is currently in place. He indicated that the cost includes the pole, mounting base, connecting arm and bulbs.

In response to a question, Mr. Kloptosky detailed the condition of the remaining poles. Mr. Wrathell pointed out the potential liability issue, if a pole were to fall when people are present. Mr. Kloptosky indicated that he recommended to AMG that tennis players should be removed from those courts, if it is windy. He confirmed that the rusting issues on the poles on Courts 1 through 4 are not observed on the poles on the remaining courts.

Supervisor Davidson asked if there is a way to gauge the integrity of the poles. Mr. Kloptosky was unsure.

Mr. Kloptosky noted that the same rusting issue is affecting the fence posts.

In response to a question, Mr. Kloptosky voiced his belief that the contractor would offer a better price if all of the light poles were replaced at the same time. Other quotes and options are pending. Regarding life expectancy or warranties, Mr. Kloptosky indicated that he must inquire.

Mr. Kloptosky reiterated that there are 22 poles, with 12 that need immediate attention.

Supervisor Smith was in favor of replacing all 12 poles at once. Supervisors Lawrence and Gaeta concurred.

Regarding the tennis courts being closed at night, Mr. Kloptosky stated that he was unaware that the lights were wired in a series; he must verify that.

Supervisor Lawrence indicated that the Fiscal Year 2013 CIP has \$54,830 that is not committed. He reviewed items that were deemed “nice to do” but were not completed.

On MOTION by Supervisor Lawrence and seconded by Supervisor Smith, with all in favor, authorizing Mr. Kloptosky to obtain competitive quotes to replace 12 lights, on Courts 1 through 4, and spend up to \$54,830 to replace all 12 lights, was approved.

Mr. Kloptosky asked the Board’s pole preference. Supervisor Lawrence felt that the less expensive pole is sufficient, unless there is a clear advantage to the more expensive pole.

Mr. Natiello questioned why new light fixtures are needed, rather than transferring the fixtures to the new poles. Mr. Kloptosky indicated that he can explore the possibility of using the old fixtures.

- **Marlin Drive Pump House**

****This item was discussed out of order.****

Mr. Kloptosky recalled that the pump house went down a few weeks ago. As a result, he further reviewed the pipe structure and determined that it must be replaced. He is obtaining estimates.

In response to a question, Mr. Kloptosky confirmed that the costs would be shared with Escalante, with the District being responsible for 25% and Escalante being responsible for the remainder. Escalante is also concerned about the conditions; however, they have budgetary considerations.

Mr. Kloptosky noted that the original fan in the pump house has not worked for awhile. The fan should be reinstalled, as cooling the motors is imperative. Mr. Kloptosky obtained quotes of \$4,000 to \$4,500 to redo the original fan.

Mr. Kloptosky indicated that the railing posts, on all of the bridges, are rotting. Aluminum caps were installed a few years ago, which helped; however, the posts continue to rot.

Mr. Kloptosky reported that the pergola repairs that were to be completed in early May were not completed. He followed up with the contractor who is waiting for his painter's schedule. If there are no signs of progress within the next few days, Mr. Kloptosky recommended that District Counsel send a letter.

Mr. Kloptosky is still working on the Pelican Court mailbox relocation. Quotes from other contractors are pending. The original price was \$3,500; however, the cost increased to approximately \$7,000 to \$7,500, due to additional requirements by the City.

Regarding The Village Center and Creekside ADA pool lifts, Mr. Kloptosky indicated that the lifts were delivered, permitting was submitted and is progressing and installation will take place once the permit is issued.

Mr. Kloptosky stated that reregistration is at 60%. Regarding sending postcards to those that have not reregistered, Mr. Kloptosky stated that approximately 1,000 postcards will be needed. The cost for the postcards and mailing is pending. Supervisor Gaeta recalled that the first e-blast is scheduled and asked that the office keep track of the number of people who respond after the e-blast is sent.

Supervisor Davidson discussed the notification process.

Regarding disabling the GADs of those who failed to reregister, Supervisor Lawrence voiced his belief that the office staff will not disable all GADs on a single day; they will disable them in increments that can be handled, as those people will come into the office. Supervisor Gaeta voiced her concern that the office will be bombarded. Supervisor Davidson indicated that

he asked the security company to attend the next workshop to discuss how they will prepare for the mass deactivation of GADs.

iii. Croquet Courts

Mr. Kloptosky presented the proposal for repairs to the turf. The proposal covers repairs to the Creekside north main court for \$26,760.75, repairs to The Village Center practice court for \$15,240.12, expansion of the practice court for \$25,654.98 and building a new court for \$31,830.92. He recalled that the Board asked him to review Austin Outdoors' (Austin) contract regarding fertilizing and maintenance of the croquet courts. Austin reported that, if they no longer performed maintenance on both courts, their contract would reduce by \$18,677 per year. Regarding the breakdown, Mr. Kloptosky indicated that Austin considers there to be three (3) courts, as Creekside is equivalent to two-thirds.

Supervisor Davidson advised that the Board will visit the Creekside croquet courts, during the next workshop, to review and understand the court conditions and to help determine whether to budget for this in the next fiscal year.

Supervisor Lawrence pointed out that the quotes do not include hauling away the stripped material. Mr. Kloptosky will obtain a quote for those costs.

Mr. Wrathell explained that the workshop will open and, at some point, the tour will take place, everyone will return and the workshop will finish.

Discussion ensued regarding the proposals and the scopes of work for the various courts.

Supervisor Smith felt that, if the Board considers renovating the courts, continuing maintenance is integral to that decision; quotes for maintenance are needed.

Regarding Ms. Schleith's concerns about Pond 11, Mr. Kloptosky acknowledged that there are problems. Mr. Kloptosky stated that maximum chemical treatments are being conducted; however, there are no other alternatives, without harming the oxygen levels or the fish. Supervisor Lawrence recalled a similar problem on East Lake and indicated that a mixture of copper sulfate and dye was sprayed; the dye blocked the sun, causing less algae growth.

In response to a question, Mr. Kloptosky stated that Aquatic Systems tested the oxygen levels and found them to be acceptable; they do not typically recommend aeration, unless the levels are depleted. He indicated that Genesis has successful alternative treatments; however, those treatments are expensive. Mr. Kloptosky discussed complaints regarding other ponds, including noise from frogs.

Within the scope of his authority and presuming the cost to be under \$5,000, the Board agreed that Mr. Kloptosky should proceed with Genesis' plan, if the cost is reasonable.

Ms. Layng recalled that the Board authorized Mr. Kloptosky to proceed with the purchase and installation of 12 new light poles, utilizing the \$54,830 of Fiscal Year 2013 CIP money that is not committed. She noted that, based on the prices quoted, the cost for 12 will be \$66,000 to \$78,000, depending on the type, and questioned where the extra funds will come from.

Supervisor Lawrence indicated that Mr. Kloptosky feels he can get a 20%, or greater, discount; therefore, the cost should be less than the currently proposed price per pole. Supervisor Smith stated that the approval also considers that the existing light fixtures might be installed on the new poles. Mr. Kloptosky confirmed that he will seek a bulk discount.

Regarding the Marlin Drive Pump House, Ms. Layng asked who should have been checking the fan. She wondered if the fan not working caused the current problem.

Mr. Kloptosky felt that the fan did not cause the problem. He acknowledged that an operating fan may have increased the longevity of the motors.

Ms. Layng commented that the District continues to spend a tremendous amount of money on the tennis courts, which is good, as many residents enjoy using them. She voiced her hope that the Board also considers the condition of the croquet courts and realizes that croquet players would like their courts to be in a condition as good as the tennis courts; amenity-wise, the croquet courts are just as important as the tennis courts, swimming pools, etc.

Ms. Schleith noted that many residents do not use any of the amenities. She believes that there are other "residential" items that can be addressed before spending money on the tennis or croquet courts.

Mr. Kloptosky reminded the Board that the original contract for The Village Center parking lot repaving project was \$42,000 but, with the \$1,800 initial cost reduction and the subsequent \$5,000 reduction due to the issues with the work, the overall savings was \$6,800. Regarding the light pole that fell and the one (1) that was taken down, Mr. Kloptosky reported that his staff took the pole down, at no cost, as opposed to paying a contractor \$800. Mr. Kloptosky noted that, rather than completing the entire \$85,000 Wild Oaks road repair project, minor/temporary repairs were completed for approximately \$8,420.

*****The meeting recessed at 11:46 a.m.*****

*****The meeting reconvened at 12:02 p.m.*****

D. District Counsel**i. Pier Adjacent to Golf Club**

This item was discussed earlier in the meeting.

ii. Waterside Parkway Ownership

Mr. Clark indicated that the City's attorney is working on conveying this property.

iii. Rule Amendments

Mr. Clark presented the proposed rule amendments. He stated that the public hearing will be held in June.

Supervisor Davidson asked that language be included indicating that piggybacking of the lift gates is prohibited. In anticipation of acquiring the pier, Supervisor Davidson noted that another public hearing and amendment will be necessary, once the District acquires the pier and establishes an amount to rent it.

iv. Trespass on District Property

This item was addressed during the Fifth Order of Business.

v. 37 Jasmine

Mr. Clark indicated that he has not received a response to his letter.

Mr. Clark reported on an incident at the croquet court which involved misbehavior by a resident and escalated to physical contact. Regarding what action the District should take, Mr. Clark felt that a decision is premature, as there is a pending police report, which the District has not received. He asked Mr. Kloptosky the likelihood of the situation repeating itself and Mr. Kloptosky felt that it would not; there was discussion and an apology. Mr. Clark stated that Mr. Kloptosky asked if any immediate action was necessary, such as suspending the person or issuing a trespass notice. Mr. Clark advised Mr. Kloptosky that, given the apology, suspension should not occur; however, the matter should be brought to the Board's attention.

Mr. Clark recalled that the rules were amended to no longer require immediately sending a certified letter. The rules now involve a fact collecting period, prior to the Chair or a delegate making an initial decision regarding whether to send a notice or if human intervention can resolve the matter without proceeding through the formal process.

Mr. Kloptosky stated that the incident occurred at Creekside. He indicated that the police were called and the report is pending. Additionally, a portion of the incident was captured on video; however, Mr. Kloptosky found it inconclusive, as the actions of only one (1) party can be

seen. Mr. Kloptosky has the District's internal incident report, along with several letters from witnesses.

Supervisor Lawrence stated that he conducted his own research and voiced his opinion that it was egregious conduct that should not be tolerated. If the facts substantiate it, Supervisor Lawrence feels that the District should impose the maximum suspension of privileges against the perpetrator.

Supervisor Gaeta indicated that, based on her understanding of the incident, the person violated the bylaws; therefore, the previously established criteria for handling these types of incidents should be followed.

Supervisor Smith stated that this is the first he is hearing of the incident and he has not seen any of the reports. He suggested that the Board review the facts, once they are available.

Supervisor Davidson asked if the current rules require a warning letter, prior to suspending privileges. Mr. Kloptosky felt that he felt it was incorrect. Supervisor Davidson clarified his understanding that it can be immediate temporary suspension, at the time of the incident; however, the Board's first response is to be a warning letter.

Mr. Kloptosky acknowledged that the District has a procedure, including a warning letter and other steps; however, the Field/Operations Manager or District Manager can supersede those steps based on certain conduct. Mr. Kloptosky read from the rules. He stated that, although he could not verify it on video, based on the incident report and witness statements, he felt that, if true, the situation warranted immediate action. Mr. Kloptosky indicated that, based on his conversation with District Counsel, immediate action was not taken.

Mr. Clark commented that the trespass procedure is designed to remove an immediate threat, to make it stop when there is not a chance to wait for the Board to review the matter. Based on his conversation with Mr. Kloptosky, Mr. Clark felt there was no longer an immediate threat; the trespass action, at that point, would have been punitive, rather than preventative. After the fact, Mr. Clark feels that the correct procedure is to bring the matter to the Board. The procedure involves a first notice, carrying no suspension but warning that future actions could result in suspension. He noted that, if the person did the same thing again or made a threat, then immediate trespass expulsion would be appropriate.

Supervisor Gaeta asked if the District's amenity policies trump bylaws of any individual organization. Supervisor Davidson stated that an organization's bylaws have no affect on the District. Mr. Clark stated that the organization's bylaws are separate from the District's rules.

Supervisor Davidson asked if the Board can temporarily suspend the person, pending a final determination, if today's audience comments show that it was a particularly egregious action. Mr. Clark felt that the decision should be made after hearing the facts and receiving the police report. Mr. Clark recommended that names not be used, if the audience speaks today, as it could be improper to air the event during today's meeting without the District inviting the person to attend, listen and defend himself.

Supervisor Davison asked if it would be best to not hear public comment today, since the Board does not have all of the information. Rather than discussing the events in a public meeting, Mr. Clark felt that those that want to report the incident should have already filed incident reports or should do so, as well as speak to Supervisor Davidson or whomever he delegates to hear comments.

The Board agreed to delay audience comments and Board action on the matter and address the matter at the next meeting, once the reports, police report and video can be reviewed by each Board Member.

Mr. Kloptosky stated that he did not forward the incident reports he received, as he felt it was not appropriate to email them. He asked if the Board would like copies.

Supervisor Davidson and Mr. Clark confirmed that the incident reports are a matter of public record. Supervisor Davidson asked Mr. Kloptosky to email each incident report to the District Manager's office for dissemination to the Board.

Mr. Rich Burns, a resident, clarified that the Croquet Club bylaws have no contingency to punish anyone for misconduct. The misconduct portion states that the club president and a certified referee should ask the person to leave the premises; there is no punitive action identified.

Ms. Layng stated that she does not want to be in harm's way; she wants to play croquet but is concerned about her safety. She feels that a month is a long time to wait for Board action.

Supervisor Davidson stated that if there is an imminent, legitimate threat, it should be reported immediately to AMG and/or Mr. Kloptosky, who have authority to immediately, temporarily suspend the person's privileges.

Mr. Kloptosky asked District Counsel if the video segment should be forwarded for dissemination. Mr. Clark replied affirmatively.

E. District Manager

i. Communications Services Tax/Exemption

Mr. Wrathell presented copies of refund checks from AT&T for taxes paid, for which the District was exempt. He noted that the District is also exempt from the communications services tax and federal excise tax.

Supervisor Gaeta asked if the District should also be exempt from those taxes on its Bright House bills. Mr. Wrathell will research that matter.

ii. 2,223 Registered Voters in District as of April 15, 2013

Mr. Wrathell reported that, as of April 15, 2013, 2,223 registered voters resided within the boundaries of Grand Haven CDD.

iii. Upcoming Community Workshop/Regular Meeting

- **COMMUNITY WORKSHOP**
 - **June 6, 2013, at 10:00 A.M.**

The next workshop is scheduled for June 6, 2013 at 10:00 a.m.

- **BOARD OF SUPERVISORS MEETING**
 - **June 20, 2013 at 9:30 A.M.**

The next meeting is scheduled for June 20, 2013 at 9:30 a.m.

SEVENTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Consideration of Resolution 2013-7, Approving the District's Proposed Budgets for Fiscal Year 2014 and Setting a Public Hearing Thereon Pursuant to Florida Law

Mr. Wrathell presented Resolution 2013-7 and the proposed budget for Fiscal Year 2014, for the Board's consideration. He referred to the assessment table, on Page 18, and noted that the proposed budget anticipates only a \$38.83 increase, compared to last year, despite the necessary projects. In response to a question regarding the number of units, Mr. Wrathell stated that the number includes the golf course.

Regarding the summary page, Mr. Wrathell recommended moving the money to disaster recovery or roads. Supervisor Davidson asked if moving it means it is allocated for that purpose, only. Mr. Wrathell stated that using money from a "committed" category requires a Board action; to maintain maximum flexibility, the money could remain unassigned. Mr. Wrathell felt that assigning the money lets residents know that there is a reason for it, other than simply building up cash. Supervisor Davison preferred to assign it to roads, in lieu of leaving it unassigned. The Board agreed to assign the funds to "roads".

Supervisor Lawrence pointed out that the golf course, through its assessments, makes a substantial contribution to the District.

Mr. Wrathell indicated that the proposed budget anticipates a difference of approximately \$69,000, over the current fiscal year, for general costs, administrative and field operations costs. He noted that infrastructure reinvestment is projected to increase. Regarding the Escalante Golf contribution to the Marlin Drive pump house repairs, he noted that, the completion date of the work will determine whether the costs can be billed in advance and placed on the Fiscal Year 2014 tax bill or if it will need to be on the next fiscal year, if Escalante does not pay the amount, outright, when the District bills them.

Mr. Wrathell reviewed the revenue and expenditures on Pages 2 through 5. Regarding expenditures, Mr. Wrathell advised that most line items were unchanged or had only slight increases or decreases. General Counsel legal fees were increased from \$65,000 to \$68,900 and legal litigation was zeroed out but must remain on the budget, for comparison to the current fiscal year. Mr. Wrathell pointed out that the property tax line item decreased from \$54,400 to \$5,000, as the Colbert Lane assessment was eliminated from the tax bills in November; the District will actually pay approximately \$51,000 less this fiscal year, as well.

Supervisor Smith asked about the underlying criteria and development of the budget. Mr. Wrathell indicated that the budget projections are based on actual expenditures in the previous and current fiscal years, as well as the anticipated or proposed amounts for the coming fiscal year.

Mr. Wrathell continued reviewing the anticipated expenditures on Pages 2 through 5. Regarding the water expenses, Supervisor Lawrence recommended increasing the budget amount by 8% for potable water, as the City approved a rate increase, over a two (2)-year period. Regarding the Lakewatch aquatic contract, Mr. Wrathell recalled that the program is not currently active. Supervisor Davidson stated that Lakewatch is active; however, the contract was not fully executed; the expense should remain in the budget.

Mr. Wrathell noted slight increases in the insurance line items, a decrease in the horticultural consultant line item and an increase from \$529,417 to \$542,626 for the landscape maintenance contract. He indicated that the increase is related to the terms of Austin's contract. Supervisor Lawrence suggested consideration of the landscape contract going back out to bid.

Regarding payroll expenses, Mr. Wrathell stated that the increase anticipates hiring another maintenance employee and merit pay bonuses and 5% pay increases for employees.

Payroll taxes and workers' compensation insurance expenses are projected to increase. The AMG increase anticipates a 3% increase in the contract.

Regarding the increase in the security contract, Mr. Wrathell believes that it includes a CPI increase. Mr. Wrathell pointed out that the security contract expires at the onset of the new fiscal year. Supervisor Lawrence felt that the District should consider putting the security contract out to bid, in order to eliminate cost increases. Supervisor Gaeta asked that the Board also consider AMG's contract and putting the amenity contract out to bid. Supervisor Smith indicated that he prefers to increase the pay to the District's employees and squeeze the contractors to maintain their current prices. Overall, the total expenditures are expected to decrease by approximately \$109,000.

Mr. Wrathell reviewed the current year infrastructure reinvestment line items and the projected amount for Fiscal Year 2014, which is the figure provided by Supervisor Lawrence.

Mr. Wrathell explained that the proposed budget anticipates revenues exceeding expenditures by \$45,601 at the end of Fiscal Year 2014. He discussed how the surplus could be used towards infrastructure reinvestment or it can be left to improve reserves.

Mr. Wrathell indicated that Pages 7 through 13 contain detailed descriptions of the various expenses. Page 14 reflected the debt service fund related to Wild Oaks and the budgeted principal and principal and interest payments that will be due. He explained that debt service is always billed in advance.

Regarding Page 22, Budgetary Considerations, the Board agreed that this page can be dropped.

Discussion ensued regarding allocating funds for landscape rejuvenation. Mr. Wrathell stated that the Board needs to determine if it is okay with the currently projected assessment increase. Supervisor Lawrence confirmed that he did not include the landscape item in the CIP figure; however, the CIP amount includes \$90,000 for unknown/unplanned expenditures. Supervisor Davidson recalled that Ms. Leister planned for \$50,000. Supervisor Lawrence suggested that Ms. Leister be invited to the next workshop to discuss her landscaping plans.

Mr. Wrathell recapped that Exhibit 4 will be removed, water will be increased to raise it by 8%, litigation will be removed from the reserve and moved to roads and the Board will discuss the three (3) vendors and consider rebidding those contracts at the next meeting.

Supervisor Smith asked Mr. Wrathell to provide the historical increases in assessments, over the past five (5) to seven (7) years, at the next meeting.

Mr. Wrathell reminded the Board and residents that this is a proposed budget and it will be discussed further, over the next few months.

He noted that the approved proposed budget will be transmitted to both Flagler County and the City of Palm Coast and the resolution will be amended, accordingly. Due to the timing, the September workshop and meetings will flip dates, meaning the regular meeting and budget public hearing will be on September 5, 2013 at 5:00 p.m.

Supervisor Gaeta pointed out that the July workshop coincides with the July 4 holiday.

Mr. Clark pointed out that the City of Palm Coast should be added to Item 3, of the Resolution, as the budget should be transmitted to both the City and the County.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, Resolution 2013-7, Approving the District’s Proposed Budget for Fiscal Year 2013, as amended, and Setting a Public Hearing for September 5, 2013 at 5:00 p.m., at this location, was adopted.

B. Continued Discussion: Game Plan for Implementation of SAACs and Deactivation of GADs [BOS]

Supervisor Davidson recapped earlier discussions, indicating that e-blasts will be sent notifying residents and an article will be included in the Oak Tree. Mr. Kloptosky is working on signage.

C. Discussion: Status of CIP [TL] (*to be provided under separate cover*)

Supervisor Lawrence will update the CIP to include the items discussed today, which do not already appear on the list. Supervisor Gaeta asked that the header be changed to 2013. Supervisor Lawrence requested two (2) hours, at the beginning of the next workshop, to review and discuss the updated CIP. Supervisor Smith indicated that he needs definitions of the columns and blank areas, along with an explanation of the total, on the last page, and how it differs from the asset figure listed in the audit.

D. Update: Keeping Grand Haven Grand (SD)

This item was not addressed.

EIGHTH ORDER OF BUSINESS

OPEN ITEMS

This item was not addressed.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Davidson thanked Mr. David Alfin, a resident, for creating cards requesting that the parents park in the parking lot, while waiting for the bus. Mr. Alfin distributes the cards each day.

Supervisor Davidson asked the Board to visit the website of a company named NFC Amenity Management Company, prior to the next workshop. He stated that this is a high-end management company that is interested in managing Grand Haven's security and full amenity operations, including the café. Supervisor Davidson indicated that he met with a representative and they want to return for a tour of the facilities and provide a proposal. Once the proposal is received, Supervisor Davidson will forward it to Mr. Wrathell's office for dissemination to the Board. Supervisor Davidson suggested inviting the representative to come to a meeting.

Supervisor Lawrence asked the status of St. Johns River Water Management District (SJRWMD) and the Chinier matter. Mr. Kloptosky reported that SJRWMD visited again and is trying to determine what they will allow the District to do with the area.

In response to Supervisor Gaeta's question, Mr. Wrathell confirmed that he was not able to reach Supervisor Chiodo to notify him regarding Mr. McGaffney's transition.

TENTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the meeting adjourned.

On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the meeting adjourned at 1:39 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair