

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

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Wednesday, July 3, 2013, at 10:00 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting were:

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

Also present were:

| | |
|-----------------|--------------------------------|
| Craig Wrathell | District Manager |
| Allen Skinner | District Engineer |
| Barry Kloptosky | Field Operations Manager |
| Roy Deary | Amenity Management Group (AMG) |
| Joe Montagna | Amenity Management Group (AMG) |
| Kevin Horan | Amenity Management Group (AMG) |
| David Cottrell | Aquatic Systems, Inc. |
| Leslie Pragasam | Aquatic Systems, Inc. |
| Gerardo Medrano | East Flagler Mosquito Control |
| Bill Hockla | East Flagler Mosquito Control |
| Cindy Gardske | ABM Security |
| Brenda Nichols | ABM Security |
| Al Lo Monaco | Resident |
| Ron Merlo | Resident |
| Karen Durand | Resident |
| David Alfin | Resident |

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:03 a.m., and noted, for the record, that Supervisors Davidson, Chiodo and Smith were present, in person. Supervisor Gaeta was not present at roll call. Supervisor Lawrence was not present.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS**UPDATES: District Engineer****A. Sailfish Drive**

Mr. Skinner indicated that the Sailfish Drive permitting is underway and will be submitted to the City of Palm Coast next week.

Supervisor Smith referred to photographs of a puddle at 27 Sailfish Drive, at 7:30 a.m., this morning, and indicated that he noticed a significant puddle that remains; it does not go away.

******Supervisor Gaeta joined the meeting, via telephone, at 10:05 a.m.******

Supervisor Smith observed that the water stops at the end of the puddle, which is where the tree roots are raising the tree and leaves were pushed, by the water flow, to that point. He advised that it takes several days for the water to eventually evaporate. Supervisor Smith referred to the proposed plan and voiced his concern that the Board is not addressing the underlying cause of the puddling, which is that the road slope is insufficient but is not being changed, in the proposed plan.

Supervisor Smith referred to a picture of the offending tree and where construction stops. He raised the idea of Mr. Kloptosky addressing that area, using techniques he uses in other areas, prior to completing the major project, to determine if the problem can be alleviated with a \$6,000 fix, as opposed to an \$80,000 repair. Supervisor Smith maintained that, if the problem is not resolved, at least the small dam area is addressed and the puddle no longer remains.

Mr. Kloptosky recalled past discussions regarding this approach and explained that the alternate approach would eliminate the puddle but it would simply move the water to another location, creating the same problem in another area.

Supervisor Smith reviewed additional photographs, further down the road, and identified another tree that could be the next offending tree. He noted that nothing is planned for that area; therefore, it is reasonable to suggest that, once everything up the road is fixed, the puddle will remain.

Mr. Skinner recalled that, at the last meeting, the Board agreed to replace the tree and redo the curb, down to that point, which addresses Supervisor Smith's concerns.

Supervisor Chiodo concurred with Mr. Skinner's recollection of discussions, at the last meeting. He clarified that Supervisor Smith is suggesting that they address the specific tree,

while waiting for the permits, to determine if it will fix the tree issue, If not, they can decide what should be done.

Mr. Skinner asked for an explanation of the \$5,000 or \$6,000 fix referenced by Supervisor Smith.

Mr. Kloptosky clarified that the fix might cost more than \$5,000. He stated that the alternate approach was to remove the curb and apron and cut the asphalt out on the road about 4' from the apron. Mr. Kloptosky noted that the fix, in the specified area, was approximately \$10,000. He questioned whether it is wise to spend \$10,000 to \$12,000 on a repair that might need to be repeated, in the future.

Mr. Skinner asked if Mr. Kloptosky's approach is to remove the hump so that water flows more towards Waterside Parkway.

Noting that, since the Board discussed trying to elongate the project, down through the subject section, to address the tree, slope, curb and street, Supervisor Smith suggested doing this first, to determine if most of the problem is resolved.

Mr. Kloptosky voiced his concern that there are no drain inlets, to the left of the area, so whatever is replaced will result in water still gathering; adding drains will resolve the problem for the future but only addressing the area identified by Supervisor Smith will not fix the drainage problem. He stressed that the water needs a place to drain.

Supervisor Smith questioned if a drain is necessary, if the dam is removed. He wants to know if there is a less expensive first fix that the District can complete.

Mr. Skinner advised that he has reasonably good elevations from the surveyor to determine the probable issue but, to be 100% sure that what Supervisor Smith is proposing will work, he suggested having the surveyor perform spot elevations every 10' to 20' to determine if it will solve the problem. Mr. Skinner felt that a detailed spot elevation survey would cost approximately \$500. He recalled that a drain was proposed, in that area, because it is known to be flat. Mr. Skinner noted that smoothing the hump may not resolve drainage issues, if the area is still flat. Genesis' design covers the entire area.

Supervisor Smith voiced his confusion that Genesis' plan does not call for changing the elevation. Mr. Skinner advised that the elevations cannot be changed, which is why the drains would be added to take water away from the flat area.

Supervisor Davidson asked if the tree must be removed in order to fix the hump. Mr. Kloptosky stated that, if the tree is removed and the curb comes out, the drain is placed at the same elevation to allow water to flow away. He explained work completed in another area where the curb and apron were removed and two (2) drains were installed.

Supervisor Chiodo indicated that he wants this matter resolved so that it is not discussed at every meeting.

Mr. Kloptosky voiced his opinion that the matter was previously resolved; the Board gave approval to move forward. He advised that the Board previously considered all of the possibilities and the work was moving forward.

Mr. Skinner reiterated the slope and elevation issues causing the puddling.

Supervisor Davidson noted that the problem has existed for years, before the tree was as big as it is now. He recalled his initial reluctance to spend the full amount, prior to evaluating all options and clearing the gutters; however, he visited the area, during a heavy storm, and observed the flooding. Based on his observations, Supervisor Davidson indicated that he is now in favor of moving forward with Genesis' proposed repair.

Supervisor Chiodo stated that, although he wishes there was a quick fix to resolve the issue, he does not believe it is possible. He voiced his desire that the project move forward.

Supervisor Gaeta voiced her feeling that this matter was addressed at the last meeting and agreed that the project should move forward.

Supervisor Davidson asked that this item be included on the next agenda for a final vote to proceed with permitting and completion of the project, as outlined. Supervisors Gaeta and Chiodo, along with Mr. Kloptosky, voiced their belief that the Board approved it at the last meeting. Supervisor Davidson stated that the Board only approved beginning the permitting process but did not vote to actually complete the project.

B. Chinier Conservation Easement

Mr. Skinner recalled discussion, at the last meeting, regarding landscaping around a lone wetland, in the Chinier area. He indicated that Mr. Kloptosky provided him with a plat map reflecting the obviously designed 25' buffer conservation easement, clearly marked on the survey. Mr. Skinner noted that the Board asked him to determine if the District can approach the St. Johns River Water Management District (SJRWMD) for permission to landscape around the easement.

Mr. Kloptosky submitted a sketch to the SJRWMD and recalled that SJRWMD had an issue with there being no formal survey of the parcel, on record. He advised that SJRWMD conducted a site visit and advised that they are pleased with the growth and want to visit again, after the rainy season. SJRWMD will not comment, at this time, about whether the District can plant in the perimeter because they want to wait, as well as wanting to review a survey. Mr. Kloptosky noted that, although SJRWMD clearly advised him that they were not going to address this now, he took it upon himself to submit the survey information. Mr. Kloptosky confirmed that irrigation will not be allowed and stated that SJRWMD agreed to review information and renderings from Ms. Leister regarding what she plans to plant in the area. Ms. Leister is developing a plan. Mr. Kloptosky was hopeful that, once the information is submitted, SJRWMD will allow the District to proceed without waiting until the end of the rainy season.

Supervisor Chiodo stated that he reviewed the survey document and found that a 25' buffer surrounds the wetlands, along with a perimeter area that falls outside the 25' buffer, which is significant, in certain areas. He read from an email he sent to Mr. Clark:

“Not sure you have been advised of this yet but Barry has found a survey of the Chinier Lagare Street area, which depicts the wetlands, buffer and perimeter. My question is as follows: I can understand how St. Johns Water Authority can stipulate what we can and can't do in the wetland area and maybe the buffer area that is immediately surrounding the wetland area. What I don't understand is what they can say and why they have a say in what we do in the perimeter areas around the buffer. If they have the authority over the perimeter area, what about another 25' beyond the existing perimeter area or 100'? What's unique about this? That goes into the paved streets of Chinier and Lagare or in the back yards of the residents.”

Supervisor Chiodo stated that, in the last two (2) incidences, he does not know why SJRWMD has a say and asked Mr. Clark to research the matter. Mr. Clark replied that the situation sounds strange and asked Mr. Kloptosky to provide his information. Supervisor Chiodo feels that the District needs a legal opinion on this matter, as he feels that SJRWMD is overstepping its authority.

Mr. Skinner agreed that the outland buffer is SJRWMD’s last vestige of influence. He believes that the goal of the process was to show that the proposed landscaping will not be within the buffer zone.

Mr. Kloptosky clarified that SJRWMD has not made the statement that they will not allow anything; they will consider permitted plantings but want to know the kinds of plants. He stated that, although SJRWMD may have no legal right, they are concerned because anything in the outer perimeter that gets into the curbs, streets and yards is controlled by the stormwater drainage system, whereas, this perimeter area could potentially impact the upland buffer and wetland.

Supervisor Chiodo acknowledged that irrigation is not suggested and questioned how water running from plants is of consideration. He reiterated his opinion that SJRWMD is overstepping its bounds.

Supervisor Davidson felt that an official survey might be necessary, if the District enters a legal fight with SJRWMD. He suggested first requesting a written statement from SJRWMD confirming that they will not interfere with what the District plants in the perimeter. Supervisor Davidson noted that he was at the meeting and he believes that SJRWMD is not opposed to the planting, they simply want to know where and what; they were only opposed to artificial irrigation that would flow into the wetlands.

Mr. Kloptosky advised that SJRWMD is not telling the District that it cannot plant; they are not trying to control the District. He will submit the map with the drawings and Ms. Leister’s suggestions. SJRWMD will provide comments. Mr. Kloptosky felt that the District should wait for SJRWMD’s response, prior to getting involved legally.

Discussion ensued regarding the types of plants and possible irrigation via truck.

*****Mr. Skinner left the workshop.*****

FOURTH ORDER OF BUSINESS

CONSULTANTS, GUEST REPORTS & PRESENTATIONS

A. Midge: Potential Methods of Control and Associated Costs (*David Cottrell, Aquatic Systems*)

Mr. Gerardo Medrano, of East Flagler Mosquito Control (Mosquito Control), introduced himself and Mr. Bill Hockla. He explained that they address mosquitoes and a few other things,

such as yellow flies; Mosquito Control does not deal directly with midges. Mr. Medrano and Mr. Hockla attended today's meeting to assess the District's midge situation.

Supervisor Davidson asked if Mosquito Control can provide midge control services. Mr. Medrano advised that they can conduct inspections and noted that the insecticide used for mosquitoes is permitted for use on midges.

Supervisor Davidson asked whether Mosquito Control has a seasonal preventative maintenance program for mosquitoes or if they mostly respond on an as-needed basis. Mr. Medrano advised that they respond to problems, as they arise. Mr. Hockla noted that Mosquito Control completes some pretreatments in the marshy areas, along both sides of the Intracoastal; otherwise, mosquitoes must be present before they treat.

Supervisor Davidson asked for a description of the treatment program. Mr. Medrano confirmed that areas are sprayed by truck or helicopter. Supervisor Davidson asked if water, ponds or banks are treated. Mr. Medrano indicated that mosquito fish are used.

Mr. Hockla clarified that ponds do not produce mosquitoes; they can produce midges. He stated that mosquitoes are mostly in lower areas, such as swales, ditches and marshy areas, which are treated monthly, with a growth regulator. Mr. Hockla explained that spray treatment, by truck, kills adult mosquitoes. In response to Supervisor Davidson's question, Mr. Hockla confirmed that midges breed in ponds and referred to a handout on the midge lifecycle that was provided.

Supervisor Davidson noted complaints about swarming midges around several ponds.

Mr. Kloptosky reported problems around Pond 4, which is the same pond that had problems last year. He recalled that, at the time, the Board chose to do nothing, due to the cost and that treatment would be expected throughout the community. Mr. Kloptosky advised that the problem lasted only a few weeks and went away, on its own; he believes that the same thing will happen this year, based on the midge lifecycle. Mr. Kloptosky followed up with a resident who previously complained and the resident reported no midge problems for the last two (2) weeks; the problem has subsided since the initial complaints.

Mr. David Cottrell, of Aquatic Systems, discussed past midge studies and confirmed that the midge problem appears to be primarily in Pond 4. He noted that midges do not bite; they are technically flies, not mosquitoes. Mr. Cottrell explained that midges are primarily a nuisance and can be an indicator of poor water quality.

Regarding treatment or methods to eliminate midges, Mr. Cottrell recommended improving water quality through aeration. He noted that aeration was installed in Pond 4 last year and is operating. Mr. Cottrell indicated that larvicides could be applied, such as BTI, which will kill the midges. Pesticides or an insect growth inhibitor could be applied. Mr. Cottrell advised that the chemical treatment options are not inexpensive.

Mr. Cottrell discussed shellcracker fish that can be installed in the pond to control midges. Another option is light manipulation, which works on the concept that flies are drawn to light; dim conditions will ease the problem.

Mr. Cottrell reviewed the midge lifecycle and noted that the goal is to kill them in the larva stage. He stated that adult midges only live three (3) to five (5) days.

For ponds that contain aeration, Mr. Cottrell recommended installing shellcracker fish as a means to control the midge issue. He noted Aquatic Systems' quote for 250 fingerlings per acre, which equates to 1,100 fingerling shellcracker fish, at a total cost of \$716.

Supervisor Smith asked if shellcracker fish adversely affect other life in the pond. Mr. Cottrell replied no, stating that shellcracker fish are native and probably already exist within the pond; this would be a shift in the population.

Mr. Kloptosky discussed the proposal for three (3) BTI treatments, at \$559 each, for a total cost of \$1,677.

Supervisor Smith stated that he advocates letting nature take care of itself and, if the current urgency has eased, he suggested installing shellcracker fish and letting them mature.

Supervisor Davidson concurred.

Mr. Hockla advised that, based on the calls received, the problem may extend further than Pond 4.

Supervisor Davidson recalled that shellcracker fish are recommended only in ponds with aeration. In response to Supervisor Davidson's question, Mr. Cottrell voiced his belief that installation of shellcracker fish now is too late to impact the fall midge cycle.

Mr. Cottrell noted that several pest control companies will treat residential properties for midges. He heard good reports on mosquito misting controlling midges at residential properties.

******Mr. Cottrell, Mr. Medrano and Mr. Hockla left the meeting.******

Mr. Ross reported that the facilitators were trained on how to use the pool lifts.

Mr. Ross indicated that staff is gearing up for the August 5 rollout; residents are coming around to the concept. He noted that the use of lanyards, containing the resident's smart amenity access card (SAAC), is working well.

Supervisor Davidson reported on a meeting with Undersheriff, Rick Staly, regarding the SAAC rollout. He detailed Undersheriff Staly's background and experience.

Supervisor Davidson stated that Undersheriff Staly's initial recommendation was to have two (2) badged private security officers on duty to scan cards. Supervisor Davidson indicated that he discussed this with Mr. Wrathell and both agreed that it was a bit hard-edged. For this reason, Supervisor Davidson suggested having facilitators scan the SAACs and, if the resident does not have a card, the facilitator will inform them that they cannot use the facilities. If the person objects and tries to enter, he proposes that the District have a roving, uniformed, badged, on-site security officer available to intervene. Supervisor Davidson indicated that the ABM security officers will be authorized to issue trespass notices and, should the person continue to resist, a sheriff's deputy, with the power to arrest, will be called. He noted that most people will leave when faced with possible arrest.

Supervisor Davidson explained that, when a deputy is called, security will indicate that a trespass notice was issued. The deputy will discuss the matter with the individual and ask them to leave. If the person does not leave, in order for the officer to make an arrest, the individual must have committed a criminal offense, which warrants arrest, or someone directly related to management of the District must sign an arrest warrant and a warrant of prosecution for trespassing. According to Undersheriff Staly, those authorized to sign those warrants include anyone directly employed by the CDD and the CDD Board Members.

Supervisor Davidson confirmed that ABM and Vesta understand and agree with the procedure.

In response to Supervisor Smith's question regarding having only one (1) roving security officer, Supervisor Davidson clarified that another security officer will be stationed at the main gate, for traffic control, due to the deactivation of a large number of gate access devices (GADs). Supervisor Davidson stated that the security officers will be on duty for a full week, seven (7) days and will be extended, if necessary.

Mr. Deary noted that security may be necessary for a few days in the fall, when residents return. Supervisor Davidson concurred.

Supervisor Davidson indicated that Undersheriff Staly stressed that the facilitators should not act as security; they can deal with intermittent issues but not incidents occurring several times per day.

Supervisor Gaeta agreed with the outlined procedure.

Mr. Ross stressed that residents must be reminded that facilitators and staff are only the messengers and asked about a way to protect them from daily abuse and disrespectful behavior.

Supervisor Davidson felt that an e-blast asking residents to be civil would not work. He feels that attitudes are changing and pride in ownership is growing. Supervisor Davidson suggested that staff could submit an incident report, when necessary, so that the matter can be investigated, at which time, the Board can send a warning letter.

Supervisor Gaeta suggested posting a code of conduct for those using the facilities. Supervisor Davidson advised that conduct is addressed in the rules; he did not favor posting another sign. Supervisors Chiodo and Smith were not in favor of posting a code of conduct.

Mr. Deary advised that AMG is prepared to have an extra facilitator on duty beginning this weekend. Supervisor Davidson indicated that the roving security officer will begin at the August 5 rollout.

Supervisor Davidson advised that, for the next meeting, resolutions authorizing ABM to issue trespass notices and authorizing certain people to sign arrest warrants, will be needed.

SIXTH ORDER OF BUSINESS

UPDATES: Field/Operations Manager

A. Wild Oaks Eagle Camera

Mr. Kloptosky recalled discussion, at the last meeting, regarding a letter from the American Eagle Foundation, which is willing to sponsor and fund the project. He researched the organization's credentials and was impressed. Mr. Kloptosky's only remaining concern is legal implications or liability issues of another entity installing equipment on CDD property; he feels that Mr. Clark should advise the Board, prior to the Board voting on this matter.

Supervisor Smith asked how the cameras will be installed. Mr. Kloptosky indicated that a lift will be used; the nests will not be disturbed.

B. Waterside Parkway Flooding

Mr. Kloptosky reviewed photographs of flooding that occurred following the last meeting. He indicated that the drains, on both sides of the street, are blocked; pumps were used to pump water from the street. Mr. Kloptosky obtained a quote from S.E. Cline (Cline) to clean the lines; however, Cline must know the line footage. The rough estimate is \$1,500 to \$2,000. He is working with Mr. Skinner and reviewing the as-builts to determine the footage.

C. Village Center Lightning Strike

Mr. Kloptosky reported on a lightning strike to the flagpole at the Village Center. He detailed the resulting damage, including damage to the AT&T and Bright House wiring, an irrigation pipe, an office computer, the office copier, the new DVR, the monitor screen for the cameras and a POS system terminal. Mr. Kloptosky contacted the insurance company and filed a claim in excess of \$6,000. Most items are repaired, with the exception of a new monitor for the cameras and a new DVR. In response to a question, he confirmed that all equipment had surge protectors.

D. Esplanade Emergency Identification Plan

Mr. Kloptosky recalled that a resident had concerns about how emergency services could quickly identify locations and respond to situations on the Esplanade. The resident suggested adding numbers to the streetlights, which can be provided to emergency services. In response to Supervisor Smith's question, Mr. Kloptosky confirmed that he will provide this concept to emergency service providers for their feedback. Supervisor Gaeta suggested that the numbers glow or be reflective, in the event of a nighttime emergency.

E. Monument Sign at Creekside

Mr. Kloptosky referred to the proposed lettering for the monument sign at Creekside and indicated that the current signage is "Creekside Athletic Club". He noted that he frequently hears that people do not know where the CDD office is located. For this reason, Mr. Kloptosky recommends changing the sign to include "GRAND HAVEN *CDD Office*" on the upper portion of the sign, with "CREEKSIDE *Amenity Center*" below.

Supervisor Smith asked the cost.

Supervisor Gaeta suggested signage at the gates, regarding the location of the CDD office.

Supervisor Smith preferred to not add more signs at the gates.

Mr. Kloptosky indicated that the signage cost is \$400 to \$500, for the lettering and installation.

Acknowledging that there must be access to the pool lifts, Supervisor Smith asked if the pool furniture could be returned to the area. He asked Mr. Kloptosky to review the ADA Compliance Regulations to determine the term “accessible”.

Mr. Kloptosky voiced his understanding that there must be direct access to and surrounding the pool lift, without anything impeding access.

Regarding the unauthorized access road at 35 Blue Oak Lane, Mr. Kloptosky reported that a ‘No Trespassing’ sign was posted on the property and SJRWMD was notified. SJRWMD will inspect the site. Mr. Kloptosky recalled that the Board approved sending letters to the homeowner and contractor; however, he is unsure if it was done, as he has not received copies of the letters. He stated that he will report SJRWMD’s response, once received.

Reregistration is at 75%, with 1,395 homes reregistered.

Regarding abuse of staff, Mr. Kloptosky noted several incidents, this week, related to reregistration. He stated that he intervened and advised the residents of the reregistration facts and that their behavior was inappropriate. He explained that staff does not make the rules and invited those residents to attend a meeting to address the Board. Mr. Kloptosky acknowledged that staff is hesitant to file incident reports because they do not want to make enemies in the community. He believes that the Board needs to be diligent about sending letters to violators.

In response to Supervisor Davidson’s question, Mr. Kloptosky voiced his belief that both incidents this week were recorded. Additionally, he spoke with the employee regarding whether she wanted to file a report.

Supervisor Gaeta asked if a Saturday reregistration will be scheduled. Mr. Kloptosky replied affirmatively; July 6, along with another Saturday. Regarding staffing for Saturday reregistration, Mr. Kloptosky stated that the office staff will split shifts, or work full shifts, if the volume demands it. Supervisor Gaeta asked if a male employee will be present on Saturdays, during reregistration. Mr. Kloptosky believed that a male facilitator will be on duty but no male will be present in the office. Supervisor Gaeta felt that the Board should discuss how to deal with a female employee being alone in the office, should a resident cause a problem. Mr. Kloptosky advised that the male facilitator could be alerted, so that he can be available, if necessary. It was suggested that a male resident volunteer be present during the Saturday

reregistration sessions. Supervisor Davidson indicated that the office staff felt that is not necessary, as it would only become necessary if there is a problem and residents should not become involved in these types of situations.

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

****The workshop reconvened at 11:56 a.m.****

SEVENTH ORDER OF BUSINESS

DISCUSSION ITEMS

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

Mr. Wrathell referred to the proposed assessments, on Page 18, and indicated that ‘Infrastructure Reinvestment’ would increase to \$301.54 per unit, ‘Admin & Field Ops’ decreases by \$36.16 and ‘Debt Service Fund’ increases by \$32.56; overall, the total increase from the current fiscal year would be \$38.83. He questioned if the Board wants to adjust the numbers to be higher than any of the individual categories. Mr. Wrathell noted that the District has many capital needs. He spoke of the benefit of not including specific items in the final budget, which allows the Board flexibility to pivot on capital needs, as the fiscal year progresses.

Supervisor Davidson pointed out that the proposed assessment increase is currently 1.9%.

- **Infrastructure Reinvestment Bucket**

In response to a question, Mr. Wrathell indicated that \$554,272 is budgeted for ‘Infrastructure Reinvestment’. Supervisor Smith recalled that, after the last review of the CIP list, \$642,000 was available for ‘Infrastructure Reinvestment’. Supervisor Davidson questioned if the figure included the CIP list and roads. Supervisor Smith noted that the amount increased because Fiscal Year 2014 did not have a contingency amount, so approximately \$90,000 was added.

Regarding the CIP, Supervisor Chiodo asked what bucket list items are not included on the CIP. Supervisor Davidson believed that none of the bucket list items are on the CIP, with the exception of marciting the pool and croquet court repairs. It was noted that the croquet court repairs are still up for debate.

Supervisor Gaeta asked for verification of the \$12,000 Creekside drainage repair item. Mr. Kloptosky indicated that it is at the end of Creekside Drive for proposed additional drains.

It was noted that the Sailfish Drive and underground tennis court wiring projects are not on the CIP.

Regarding \$7,000 for underground tennis court wiring, Mr. Wrathell noted that the work should be done as soon as possible; therefore, it will fall in Fiscal Year 2013 and can be removed from the 2014 bucket list. Mr. Wrathell recommended removing \$2,000 for a laptop computer from the infrastructure reinvestment list and purchasing it using miscellaneous or contingency funds within the budget.

Supervisor Davidson asked that \$8,000, for a wireless speaker system, be added to the bucket list for Fiscal Year 2014.

Supervisor Smith recapped that the Infrastructure Reinvestment Bucket items for Fiscal Year 2014 include the Sailfish Drive drainage road repairs for \$70,000, Wild Oaks wood rail bridge posts for \$30,000, Creekside drainage repair for \$12,000, \$8,000 for a wireless speaker system and \$90,000 for contingency items, bringing the total to \$210,000. The additional \$210,000 would bring the 'Infrastructure reinvestment' amount to \$764,000, equating to an assessment increase of approximately \$120 per unit.

Supervisor Chiodo stated that the total assumes spending \$60,000 on the clubhouse gazebo and \$30,000 on the croquet courts. He believes that the pool must be marcited but the Board has not made a decision on the gazebo and the extent of the croquet court repairs is unknown.

Mr. Wrathell suggested leaving the gazebo and croquet courts off of the list and using that \$90,000 as the contingency; those projects could be completed towards the end of the fiscal year, if funds remain.

Supervisor Smith pointed out that, if the District acquires the gazebo, it will require repairs. Regarding the croquet courts, he feels that they look fine; however, he is hearing that they would need to be redone every five (5) years.

Mr. Wrathell summarized that, with the \$210,000 list of items, in addition to the already projected increase, the proposed assessment increase would be approximately \$158, over the current fiscal year. He indicated that the Fiscal Year 2013 assessments averaged approximately \$2,100 per unit; the increase would bring the Fiscal Year 2014 assessments to roughly \$2,258, which is an increase of about 7.5%.

Supervisor Davidson and Chiodo felt that there would be resistance to a 7.5% increase. Supervisor Smith pointed out that reserves were used to artificially offset the Fiscal Year 2013 assessment increase. Mr. Wrathell confirmed that, if reserves had not been used, the Fiscal Year

2013 assessments would have been \$32.56 higher, which means the District would be considering an increase of \$126, overall, in Fiscal Year 2014, rather than \$158.

Supervisor Davidson asked if reserves could be used again to offset the assessment increase.

Mr. Wrathell indicated that it is the Board's decision. He pointed out that approximately \$60,000 of the reserves were used in Fiscal Year 2013 to offset the \$32.56 per unit; the proposed budget projects a fund balance of \$132,500, in the 2008 Series bonds; there would be room to apply some, but not absorb the entire increase.

Supervisor Smith indicated that, philosophically, he does not like using reserves to artificially lower the operating budget; in the long term, he is not completely comfortable that the District is adequately reserved. Mr. Wrathell indicated that, if it sits better with the Board, they could use excess cash in the debt service funds to fund a portion of the contingency for infrastructure reinvestment. Mr. Wrathell pointed out that, if the contingency money was not spent, it would then go towards improving the District's reserves.

Supervisor Smith noted that the Fiscal Year budget was \$2,637,447 and the proposed budget projects \$2,482,000, meaning the District will be \$150,000 under budget. Mr. Wrathell acknowledged those projections but stated it will not likely play out that way. Mr. Wrathell noted that, in Fiscal Year 2013, the District budgeted for the Colbert Lane assessment that dropped off, which equates to a positive of \$50,000. Mr. Wrathell added that, since the R.A. Scott litigation matter was resolved, legal expenses should be less in Fiscal Year 2013, resulting in overall savings of \$100,000 to \$110,000 that was budgeted for Fiscal Year 2013 but will not be spent. Mr. Wrathell confirmed that the District could come in under budget for Fiscal Year 2013. Supervisor Smith pointed out that the \$50,000 budgeted for 'renew and replacement' was not spent. Mr. Wrathell indicated that these unused funds could be used towards capital projects that the District wants to complete in Fiscal Year 2013.

It was noted that the \$50,000 for landscape improvements, presented by Ms. Leister, at the previous meeting, must be added to the proposed budget.

Supervisor Smith asked if a balanced budget is required in governmental accounting. Mr. Wrathell indicated that the only requirement would be a budget amendment, if the District goes over budget.

Regarding projects that could be completed in Fiscal Year 2013, Mr. Wrathell suggested that the Wild Oaks wood rail bridge posts could be completed. In response to a question regarding whether projects started in the current fiscal year must be completed within the fiscal year, Mr. Wrathell explained that the costs can be accrued back to the current fiscal year if the invoice clearly lists that the work was performed during the current fiscal year and the invoice is received within 45 days of the fiscal year ending.

Mr. Wrathell indicated that the Board can try to fast-track certain projects and complete them in Fiscal Year 2013 or it could wait until the Fiscal Year 2013 audit is completed in March, 2014, and amend the Fiscal Year 2013 budget to reflect excess funds and apply those funds to Fiscal Year 2014 and spend the money at that time.

Supervisor Davidson felt that it would not be fiscally responsible to over budget by \$150,000 and not spend it, only to impose a \$158 assessment increase the next fiscal year. He prefers to fast-track some of the CIP list items into Fiscal Year 2013 to keep the increase in Fiscal Year 2014 more reasonable.

Discussion ensued regarding which projects to complete in Fiscal Year 2013. Supervisor Davidson proposed completing the Clubhouse gazebo for \$60,000, the Wild Oaks wood bridge railings for \$30,000 and the tennis court wiring for \$7,000. Mr. Wrathell indicated that it does not matter which category the costs come from, as long as the overall expenses do not go over. Mr. Kloptosky noted that the \$12,000 Creekside drainage repair could also be completed this fiscal year. After shifting these items from the 2014 CIP list, into the 2013 budget, the target 'Infrastructure reinvestment' amount for Fiscal Year 2014 would be \$662,000. These changes would result in a \$97 assessment increase, rather than the previously discussed \$158 increase.

Mr. Wrathell summarized that, with the changes discussed, 'Infrastructure reinvestment' would increase another \$59, beyond the currently proposed \$42.43 increase, which equates to a \$101 increase in the 'Infrastructure Reinvestment' assessment, over last year. Referring to Page 18, Mr. Wrathell indicated that the new 'Infrastructure Reinvestment' assessment amount would be approximately \$360; the 'Prior Year to Current Year Change' would be \$101 and the overall 'Prior Year to Current Year Change' for all assessments would be \$98. Supervisor Smith noted that the increase is roughly 5%. Mr. Wrathell confirmed that he will target \$662,000 for 'Infrastructure reinvestment', in the proposed budget.

Regarding the items that were fast-tracked for completion in Fiscal Year 2013, Mr. Kloptosky asked if he must wait for the Board to vote on the expenditures, at the next meeting, prior to proceeding. Mr. Kloptosky confirmed that he has proposals for these items. Discussion ensued regarding the cost of the gazebo project and whether the work can truly be completed in Fiscal Year 2013. Regarding the taxes on the gazebo property, Mr. Wrathell indicated that exceptions must be filed well in advance, meaning, it will be difficult to get out of paying taxes on the property this November.

Mr. Wrathell reiterated that, if some of the projects are not completed in Fiscal Year 2013, the money will fall to the fund balance and can be spent in Fiscal Year 2014.

Supervisor Smith asked the status of the District's reserves, under this proposed scenario. Mr. Wrathell indicated that, not considering the items just discussed, the proposed budget projects an improvement in the unassigned fund balance.

Supervisor Davidson advised Mr. Kloptosky to proceed immediately on the Wild Oaks wood rail bridge posts, tennis court wiring and the Creekside drainage repairs. Supervisor Gaeta asked if any of these projects require permitting. Mr. Kloptosky felt that permits are not required, as all of the projects are repairs to existing items; nothing is new construction. Supervisor Davidson stated that the \$8,000 wireless speaker system could also be completed in Fiscal Year 2013.

Supervisor Davidson recalled that the bench, on the Esplanade, is not included. He noted that the proposed cost is \$7,000 to repair the bank, in order to return the bench to its previous location. If the bench is moved, a new pad must be poured, as well as removal of vegetation, and permits might be required. Mr. Kloptosky noted that the bank erosion is worsening. By a straw poll, Supervisors Smith and Chiodo did not support the repair, Supervisor Gaeta supported the repair and Supervisor Davidson was unsure. Regarding the continued bank erosion, Mr. Wrathell pointed out that erosion usually continues and the repair costs tend to increase, as the situation worsens; what is now a \$7,000 repair might quickly become a \$15,000 repair.

Regarding whether or not the area should be repaired and the bench returned, Mr. Kloptosky noted that the bench was an existing amenity and he is receiving a lot of pushback; people want to know when it will be returned.

Supervisor Davidson supported the bench/bank repair work this fiscal year, only if it can be completed during Fiscal Year 2013.

In response to Supervisor Smith, Mr. Wrathell confirmed that his firm's fees encompass the 'District management', 'Administrative', 'Accounting', 'Assessment roll preparation' and 'Disclosure report' line items, on Page 2. It was noted that Management's proposed fee increase is less than 2%.

Supervisor Smith commented on the immeasurable value of Ms. Gillyard and the firm's excellent support. He stressed the importance of Mr. Wrathell attending the District's meetings.

Mr. Wrathell assured the Board that, although he hired Mr. McGaffney, he plans to continue serving as Grand Haven CDD District Manager and attending meetings. Supervisor Smith teased as to whether Mr. Wrathell would consider a \$1,000 reduction for each meeting he misses. Mr. Wrathell requested a bit of flexibility regarding attendance. Mr. Wrathell noted that he will miss the next regularly scheduled meeting, as he will be on vacation. Supervisor Davidson pointed out that is an important meeting, due to the budget.

Supervisor Smith indicated that District Counsel's fees are projected to increase 6% and asked why. Mr. Wrathell advised that Mr. Clark is considering an adjustment to his hourly fee schedule, which he has not done in a number of years. Mr. Wrathell confirmed that District Counsel is paid on an hourly basis. Supervisor Smith questioned how the Fiscal Year 2013 expenditure will exactly match the amount budgeted. Mr. Wrathell explained that, historically, legal expenditures have been a bit over. Mr. Wrathell, as well as Supervisors Davidson and Gaeta, spoke in support of Mr. Clark and his services.

Supervisor Smith questioned if the amount budgeted for 'Water services', on Page 3, is sufficient. Mr. Wrathell believed that the amount should be fine.

Mr. Wrathell advised that a slight increase in insurance rates was factored in, although the rates might not increase.

Regarding the Austin Outdoor contract for landscape maintenance, Supervisor Davidson confirmed that the contract expires in January. Supervisor Smith asked if the contract must be rebid. Supervisor Davidson voiced his desire to rebid all of the District's major contracts. Supervisor Gaeta asked Mr. Kloptosky how much could be backed out of Austin's contract, if they will no longer be maintaining the croquet courts, if Escalante takes it over. Mr. Kloptosky believed that the cost would be reduced by approximately \$18,000. Mr. Kloptosky advised that he contacted Escalante and there was interest; however, he has not received a proposal. Supervisor Gaeta stressed the need to properly maintain the croquet courts, if the District repairs

are made. Mr. Kloptosky voiced his belief that Austin is doing a fantastic job, for a reasonable amount of money; his concern is that Escalante might charge more. Mr. Kloptosky wondered if the District can depend on Escalante to perform maintenance, on a regular basis. Supervisor Chiodo spoke of the waning landscape conditions on the golf course, since Escalante took over. Supervisor Smith noted that the greens are the best they have been in years. Regarding the proposed fees, Mr. Wrathell indicated that a CPI adjustment is factored in.

In response to Supervisor Smith's question, Mr. Wrathell explained that a 5% increase is included in consideration of raises, etc.; it does not mean that everyone receives a 5% pay increase. Regarding the \$5,000 budgeted for the 'Merit pay/bonus' line item, Supervisor Smith felt that the amount is low. The Board agreed to increase the line item to \$10,000 and offset the increase by reducing the 'Miscellaneous contingency' figure, on Page 4, down to \$7,120.

Discussion ensued regarding whether the amenity services contract must be bid out. It was noted that the contract does not need to be bid out, if it does not exceed \$500,000. Mr. Wrathell pointed out that the two (2) AMG components exceed \$500,000. Supervisor Davidson reported that AMG advised him that, since the healthcare reform impact is delayed another year, AMG may offer a 1% reduction, not contingent upon acquiring the security services contract and may offer a 2% reduction if AMG has both contracts.

Supervisor Gaeta stressed the importance of considering AMG's actual experience, from a security standpoint, as their information indicated that they have 'a few years' experience.

Supervisor Davidson pointed out that the contract must be sent out for bid soon, as it is already July and the contract expires September 30, 2013. Discussion ensued regarding where to advertise the RFP.

Supervisor Smith noted that 'Amenity maintenance' and 'Community maintenance', on Page 4, remain the same on the proposed budget, while the community and amenities are aging; therefore, he would expect those line items to increase, year to year. Mr. Wrathell indicated that, historically, the 'Community maintenance', listed on Page 4, was a lot of necessary repairs, prior to creation of the infrastructure reinvestment fund, meaning much of what was covered in this category is now in infrastructure reinvestment. Mr. Wrathell explained that this has allowed for supplementing and expanding the items that used to be in that category.

Mr. Kloptosky confirmed that, historically, the District has spent close to the budgeted amounts for 'Amenity maintenance' and 'Community maintenance'. In response to Supervisor

Smith's question, Mr. Kloptosky advised that he would not be comfortable reducing either line item. Mr. Wrathell noted that those line items were previously a 'catch all'; creation of the 'Infrastructure Reinvestment' fund made it easier to track the District's projects. In response to Mr. Kloptosky's question, it was confirmed that replacement of the heat pumps, for approximately \$24,000, was included on the CIP.

Supervisor Davidson confirmed to Mr. Wrathell that that the gate security contract needs to be rebid; an RFP is necessary.

Supervisor Gaeta referred to the office equipment and furniture section on the CIP and pointed out that many of the items listed were recently replaced. She asked Mr. Kloptosky if the ID card printer could be removed, as it is no longer relevant. Supervisor Davidson indicated that the line is not included on the newest version of the CIP.

For the budget public hearing, Supervisor Davidson asked Mr. Kloptosky to prepare and provide a PowerPoint presentation of the major projects completed in Fiscal Year 2013 and the costs savings realized, through his negotiations. Supervisor Gaeta suggested including before and after pictures.

B. Limiting District Engineer to One (1) Meeting or Workshop Per Month Unless Otherwise Directed by BOS

Mr. Wrathell indicated that this item was requested by Supervisor Lawrence.

Supervisor Davidson noted that the District Engineer has been attending nearly all of the meetings, as a result of the numerous new projects; however, he feels that, unless something is time sensitive, the District Engineer could attend once per month. The Board directed Mr. Wrathell to email Mr. Skinner to attend only one (1) meeting or workshop, per month, unless otherwise directed by the Board.

C. Status of CIP [TL]

This item was previously discussed.

D. Game Plan for Implementation of SAACs and Deactivation of GADs [BOS]

Supervisor Davidson voiced his feeling that a good game plan is in place. He noted feedback indicating that the cartoon notices are working.

Supervisor Davidson noted that many residents do not wish to receive e-blasts from the CDD, as they feel it will be negative information; however, 500 more residents provided their email address to AMG, because they want information about things that interest them. He

advised that many residents who provided their email address to AMG specifically requested that the information not be shared with the CDD.

Supervisor Davidson indicated that he contacted the Flagler County Association of Realtors (FCAR) regarding giving a presentation about the changes in Grand Haven and they were less than interested. He was told that FCAR is booked through the end of the year with speakers and presentations; they cannot possibly accommodate the District. The FCAR representative suggested that the District send something for them to email to their members. Supervisor Davidson noted that he was taken aback by the negative attitude of the FCAR representative.

E. Transfer of Pier and Other Developer Owned Parcels

Mr. Clark's input on this matter is pending.

Mr. Wrathell confirmed that he will contact Mr. Clark to have him advise LandMar that, if the developer provides \$3,500 to pay the November 2013 taxes on the pier parcel, the CDD would be willing to accept that parcel, along with the four (4) developer parcels. If the developer will not pay the November, 2013 tax bill, the Board wishes to proceed with acquisition of the other four (4) parcels and consider the pier parcel at a future date.

F. Eblast Statistics: CDD vs. The Village Center

This item was discussed during Item 7.D.

G. Keeping Grand Haven Grand [SD]

Supervisor Davidson reiterated that reregistration is at 75%. Discussion ensued regarding the response to the postcards and whether postcards should be sent again. Regarding returned postcards, Mr. Kloptosky confirmed that the office staff is researching alternative addresses. Mr. Kloptosky reminded the Board that a lot of appointments are scheduled for the two (2) Saturday sessions.

EIGHTH ORDER OF BUSINESS

UPDATES: District Manager

- **UPCOMING MEETING/WORKSHOP DATES:**
 - **BOARD OF SUPERVISORS MEETING**
 - **July 18, 2013 at 9:30 A.M.**

Mr. Wrathell recalled that he will be on vacation on July 18, 2013 and indicated that the meeting could be rescheduled to Wednesday, July 24, 2013, when he is available to attend.

Supervisor Smith indicated that he will not be available on July 24. Supervisor Chiodo is not available on Monday, July 22.

The next meeting was be rescheduled to Wednesday, July 24, 2013 at 9:30 a.m.

- **COMMUNITY WORKSHOP**
 - **August 1, 2013 at 10:00 A.M.**

The next workshop will be August 1, 2013 at 10:00 a.m.

NINTH ORDER OF BUSINESS

UPDATE: GHMA Meeting Report [SD]

Supervisor Davidson reported that the GHMA is in litigation on eight (8) foreclosed properties. The GHMA currently has \$463,000 in collected fines and is due another \$280,000 in fines. The ‘welcome wagon’ program is successful, with many new residents moving into the community. He indicated that evening inspections will commence regarding CC&R compliance. The GHMA will begin reminding residents about tree trimming.

Supervisor Davidson indicated that the GHMA began inspecting lake banks for noncompliance with spartina plantings, which has become a problem. He explained that, in 2009, Ms. Leister, Mr. Clark, and several others prepared a statement regarding what is acceptable along the pond banks, which included four (4) grasses and one (1) ground cover. The statement was the result of possible fines because residents had illegal items on the pond banks. Supervisor Davidson indicated that the guideline worked fine until recently, when a new resident challenged the planting scheme. He noted that, subsequently, the GHMA inspected and issued over 100 violation letters, giving residents 14 days to rectify the problem but providing no instructions or guidelines of what to do. Supervisor Davidson stated that residents are quite upset.

As a result of the current situation, Supervisor Davidson and Ms. Leister drafted a set of guidelines. Supervisor Davidson submitted the draft to SJRWMD, who advised that they do not have requirements regarding what species can be planted; however, they have a requirement that the pond bank shoreline must be protected against erosion. He explained that, to SJRWMD, grass, to the shoreline, is acceptable. According to the SJRWMD, the District has the power to establish its own rules and resolution regarding what can be planted, because it controls the ponds.

Supervisor Davidson suggested that the Board adopt a resolution indicating that the District is adopting Florida-friendly requirements for pond bank planting and listing what is acceptable. Discussion ensued regarding what should be allowed. It was pointed out that the District can set the standards and the GHMA enforces those standards.

Regarding the violation letters that were already sent by the GHMA, Supervisor Davidson advised them to back off of the 14-day requirement, as the matter is under review.

Mr. Wrathell discussed the situation and whether the District has the power to require plantings, simply because it is adopting Florida-friendly standards, or whether it can bill or assess property owners if the District must plant, because the resident did not. The Board directed Mr. Wrathell to consult with Mr. Clark on this matter.

TENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not addressed.

ELEVENTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

This item was not addressed.

TWELFTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the workshop adjourned.

On MOTION by Supervisor Smith and seconded by Supervisor Chiodo, with all in favor, the meeting adjourned at 2:12 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair