

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

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, April 4, 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:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Marie Gaeta	Assistant Secretary
Tom Lawrence	Assistant Secretary
Ray Smith	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Barry Kloptosky	Field Operations Manager
Roy Deary	Amenity Management Group (AMG)
Howard McGaffney	Amenity Management Group (AMG)
Robert Ross	Amenity Management Group (AMG)
Allen Skinner	Genesis Group
Liam O'Reilly	Genesis Group
Rob Carlton	Resident
Vic Natiello	Resident
David Alfin	Resident
Robert Ridgely	Resident
Ginger Richards	Resident
D.W. Ferguson	Resident
Ron Merlo	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:08 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

- **Game Plan for Implementation of SAACs and Deactivation of GADs (BOS)**

****This item, previously Item 5A, was presented out of order.*

Supervisor Davidson reviewed his draft game plan for implementation of Keeping Grand Haven Grand. He identified the players as the main gate guards, AMG facilitators, auxiliary facilitators, The Village Center office and café staff, Mr. Kloptosky, CDD office and field staff, District Manager, District Counsel and the Board, along with the sheriff and deputies, as necessary.

Supervisor Davidson discussed the importance of informing the public through email, the Oak Tree, U.S. Mail, presentations to various groups and signs at the amenity facilities. He suggested that the content be informational, gradually firmer and contain warnings such as “don’t let this happen to you”.

Discussion ensued regarding other locations and methods of disseminating the information, including posting on the websites, etc.

Supervisor Lawrence felt that the community has not been sufficiently informed that failure to reregister will result in deactivation of gate access devices (GADs); it will be a surprise. He suggested mailing informational letters.

Supervisor Davidson stated that all previously mentioned “players” will be involved with enforcement and support of the CDD’s efforts. He noted that the Board needs to envision, anticipate, discuss and educate the players to prepare them for all possible scenarios.

Regarding the public relations aspect, Supervisor Davidson indicated that there should be internal and external public relations efforts to quash misinformation.

Mr. David Alfin, a resident, indicated that FCAR has a weekly newsletter, which would be a good place to include information. Supervisor Davidson asked Mr. Alfin to meet with him to provide further information about FCAR.

Supervisor Lawrence stated that he does not recall the Board officially deciding that GADs would be deactivated, due to not reregistering. Supervisors Davidson, Gaeta and Chiodo recalled that the question was posed at the last meeting and the Board was in agreement.

Supervisor Lawrence feels that the Board must make its case for deactivating GADs. He suggested that, since it has been at least ten (10) years since the last registration, the District’s stance could be that it is time to update the information.

Supervisor Davidson discussed the limitations of the previous recordkeeping system. Supervisor Lawrence questioned the rationale for requiring people who do not use the amenity facilities and only have GADSs to reregister. Supervisor Davidson indicated that the GADs are tied to the automobiles and, as the vehicle registrations come due, the database can now generate lists so that the office can follow up with residents to provide new registrations, etc.; this provides verification that GADs are tied to a registered vehicle, authorized in Grand Haven.

Supervisor Davidson indicated that GADs and smart amenity access cards (SAACs) were deactivated on April 1, 2013, for three (3) unacceptable rental scenarios within the community.

Supervisor Smith suggested that the fact that GADs will now be monitored is reason enough to validate the reregistration requirement.

Supervisor Gaeta discussed the Board of Supervisors program descriptions related to internal and amenity security systems, developed as part of the Board's business plan discussions a few years ago. She noted the objectives, strategies, actions, who, what, where, cost, the results and output that were developed by the Board, in this regard. Supervisor Gaeta pointed out that the Board's previous work already addresses many of the components of the District's plans.

THIRD ORDER OF BUSINESS**UPDATES: District Engineer**

Mr. Skinner introduced Mr. Liam O'Reilly, a civil engineer with Genesis Group, who lives in the area.

Regarding paving of The Village Center parking lot, Mr. Skinner recalled that Mr. Kloptosky corresponded with S.E. Cline (Cline).

Mr. Kloptosky confirmed that Cline and P&S Paving responded to his correspondence and attempt to convince the District that the work performed meets Florida Department of Transportation (FDOT) specifications, meets industry standards and that the District's complaints are largely cosmetic. He stated that the District's scope of work did not reference FDOT specifications.

Mr. Kloptosky conceded that most of the issues are cosmetic; however, he is concerned that scraping may cause failure in the future. He advised that Cline and P&S Paving are offering a \$3,000 reduction and extension of the warranty to three (3) years, rather than one (1) year. Mr. Kloptosky stated that he investigated whether this work meets industry standards. He discussed cosmetic issues that are addressed in the FDOT standards and presented photographs showing those issues with the completed work.

Mr. Kloptosky confirmed that the parking lot is functioning properly; however, he is unsure how to proceed, with regard to the cosmetic issues. He questioned if the District wants to proceed with a lawsuit or accept a resolution, such as a cost reduction. Mr. Kloptosky stated that his field staff can core drill a few areas to confirm that the thickness is correct because, if not, the District can point that out.

Mr. Skinner noted that the paving may not have been properly milled, which could causing the uneven surface.

Mr. Skinner concurred with Mr. Kloptosky's comments but pointed out that the FDOT specifications are not linked to the proposal.

Mr. Kloptosky reiterated that the District can accept a cost reduction but doubted that the \$3,000 offered is sufficient to cover the costs if the area must be repaved, etc.

Supervisor Smith noted that he observed color differences in the parking lot pavement and questioned if that is the cosmetic issue Mr. Kloptosky is concerned about. Mr. Kloptosky stated that the issues are outlined in the District Engineer's memorandum, located behind Tab 4, along with photographs of the various issues. Mr. Smith asked why the surface cannot simply be painted, if the color differences are Mr. Kloptosky's primary concern. Mr. Kloptosky stated that new asphalt should cure 12 to 18 months before it is seal coated and, once seal coated, it creates a recurring maintenance item, as it must be done about every three (3) years. Mr. Kloptosky feels that spending money to seal coat, after spending \$40,000 to repave, is not an acceptable solution.

Supervisor Davidson asked who the paving contract was with. Mr. Kloptosky stated that it was between Cline and the CDD. Supervisor Davidson asked if the contract specified that the final product conform to FDOT specifications. Mr. Kloptosky stated that FDOT was not referenced in the contract. Supervisor Davidson felt that the District would lose a lawsuit but suggested that Mr. Kloptosky obtain core samples to confirm the thickness; however, if the FDOT standards were not included in the contract, he feels that the District has no recourse.

Supervisor Lawrence questioned if the work meets the specifications of the contract.

Mr. Skinner stated that he does not have the contract; however, it is a line item scope which includes mill and replace with asphalt.

In response to a question, Mr. Kloptosky confirmed that the parking lot is draining properly. Mr. Wrathell pointed out that the District is essentially an unsatisfied customer; the

product does what it should but it does not look like the District wants it to look. Mr. Wrathell wondered if the District could prevail, based on that being the issue.

Supervisor Gaeta felt that the question is whether the District will accept the \$3,000 cost reduction, considering the amount of work that the District gives to Cline.

Supervisor Chiodo asked about the level of discount that the District is seeking from Cline and the desired length of the warranty increase. He suggested that Mr. Kloptosky provide a recommendation. Supervisor Chiodo pointed out that the District does a great deal of work with Cline; he expects that the relationship would continue, unless the District is dissatisfied with Cline's performance on this job. Supervisor Chiodo feels that Cline must be aware of that fact and the District must proactively address it with Cline.

Mr. Kloptosky agreed that the District may have leverage in order to obtain a greater cost reduction and longer warranty.

Mr. Skinner reported that the Sailfish Drive design work is underway and hopes to submit the plans to the Board or Mr. Kloptosky by the end of next week. Once comments are received, then the project will be submitted for permitting.

Mr. Skinner confirmed that the Board's desired specifications will be included in the Sailfish Drive project.

Mr. Kloptosky reported that the pier inspection was completed and a report will be ready in a few days. The inspector informed Mr. Kloptosky that, preliminarily, the structure looks good, with only a few suggested items to be addressed.

Mr. Kloptosky recalled that the Board approved Cline repairing three (3) areas in Wild Oaks where the manholes are settling. He obtained a revised proposal from Cline correcting the date of the proposal and adding a time and materials (T&M) section for additional work. In response to Mr. Skinner's question, Mr. Kloptosky stated that the original proposal was \$5,767 but Cline will dig deeper, on a T&M basis, as necessary, if loose soils are encountered.

Mr. Skinner questioned if the decision of loose soils will be based solely on Cline's opinion or if another party will review it. Mr. Kloptosky asked the Board's opinion of whether they want another party to review the conditions, prior to Cline digging deeper.

Mr. Skinner pointed out that the geotechnical study revealed loose soils at lower elevation; therefore, Cline may encounter those conditions. He voiced his understanding that Mr. Kloptosky recommended and the Board approved going forward with the low cost, limited time fix, rather than addressing the lower level loose soils.

Supervisor Davidson felt that the District can proceed with Cline's on-site opinion.

Mr. Skinner felt that Cline's opinion should be considered for muck and other things.

Supervisor Lawrence believes that an engineer should be on site to observe the conditions and ensure that Cline's opinion is correct.

Noting the Board's previous decision to proceed with the temporary fix, in spite of the long-term fix previously recommended by Ellis & Associates (E&A) and the District Engineer, Mr. Kloptosky stated that the additional digging is only an option; work can proceed with the patch approach, with no further repairs, as previously discussed.

Mr. Kloptosky was agreeable to having the District Engineer observe Cline's work.

*****Mr. Skinner and Mr. O'Reilly left the meeting.*****

▪ **Update: Keeping Grand Haven Grand (SD)**

*****This item, previously Item 5D, was presented out of order.**

Mr. McGaffney spoke regarding anticipated scenarios as the Keeping Grand Haven Grand program rolls out. He noted that AMG would like the Board to clarify their "random" versus "set" expectations for checking.

Supervisor Lawrence recommended checking every person for the first two (2) weeks, followed by random checking, according to the current routine. Supervisor Chiodo stated that he wants to see figures from the random checks, after the initial checking period, to determine the frequency of unauthorized use.

Noting that certain areas have multiple points of entry, Supervisor Lawrence questioned how the facilitators will conduct the checks. Mr. McGaffney stated that if checks will be performed at specific times, the scanner can be placed in an area where all locations are visible. It was confirmed that the program will commence July 15, 2013.

Discussion ensued regarding the number of extra facilitators that will be necessary for full-time coverage. It was suggested that entrance points be limited during initial implementation. Supervisor Davidson asked AMG to suggest a checking schedule, at the next meeting.

Regarding the requirement to show ID, Mr. McGaffney asked if there is absolutely no entrance to the amenities without a valid scanned reading, for instance, can the person be allowed entrance if a scanned ID is rejected but the facilitator knows the person. Supervisor Davidson indicated that the person should not be allowed to use the facilities until the problem is resolved. In that regard, Mr. McGaffney questioned what to do if it is after hours and the person

feels that the scanning equipment is not working properly. Supervisor Davidson felt that the advance notice should stress that any after-hours problems must wait until the next day or Monday.

Mr. Wrathell pointed out that everyone should have a card and suggested that the CDD office scan each card during reregistration, before the person leaves, to ensure that the card is working. Supervisor Davidson endorsed conducting practice, random scanning prior to the July 15 launch. Regarding after hours and weekend issues, during the “soft” opening, Mr. Wrathell recommended taking the name of the person whose card does not work and instructing them to resolve the matter at the office on the next day or Monday.

Mr. McGaffney noted that residents have ID cards but a paper system is still used for guests.

The Board discussed holding the “soft” opening July 15 through 31, with the “hard” opening commencing August 1.

Discussion continued regarding the procedure if a SAAC does not work, after the “hard” opening. The Board felt that issues with defective scanners or cards would arise and could be resolved during the “soft” opening; afterwards, if a SAAC does not work, the person should be denied entry to the amenities until the matter is resolved at the CDD office.

Mr. Wrathell suggested that the Board review the data from the “soft” opening at its August workshop and, based on the data, determine when to proceed with the “hard” opening. August 5, 2013 was suggested as the “hard” opening date.

Supervisor Gaeta recommended informing Dolphin Technical Solutions (Dolphin) of the scheduled dates.

Mr. McGaffney suggested that facilitators be given a SAAC to use to test the scanner, if a resident’s card is not working.

Regarding scanning tennis players, Mr. McGaffney asked if every tennis player will be checked. The Board replied affirmatively. Supervisor Davidson stressed that all tennis players should be told to have their SAAC on them every time they come to play.

It was noted that the SAAC scanning requirement, for use of the amenities, will also apply to those playing croquet, basketball, soccer, shuffleboard, bocce, etc.

The Board agreed that it is not necessary to scan café patrons. A suggestion was made to scan SAACs on “resident appreciation” nights and at specific events.

The Board felt that the sheriff should be called in every instance where a person refuses to leave. Supervisor Davidson will verify with the sheriff whether a trespass order must be on file before the sheriff will take action and remove a trespasser.

Mr. McGaffney asked if the amenity facilitators will be given any flexibility to allow entry to people that are “known” but may have forgotten to bring their SAAC, such as a Board Member. Supervisor Davidson stated that allowing entry would be a violation of the District’s rules; the resident, AMG and all facilitators must comply with the rules and not allow entry without the SAAC. Mr. McGaffney reiterated the question of if this applies to someone that staff has known for years. Supervisor Davidson replied affirmatively. Mr. McGaffney felt that staff should be afforded the opportunity to not check everyone. Supervisor Davidson disagreed; enforcement can be polite and gentle. Supervisor Smith pointed out that, after the initial phase, checking will become random. Mr. Wrathell stated that the District is trying to create exclusivity, which is good for the community; therefore, people should not be offended when they are asked for their SAAC.

Supervisor Gaeta stressed to Mr. McGaffney that this procedure is to ensure that the security measures taken by the District are enforced and effective.

Mr. Natiello felt that, especially in group situations, such as at the tennis courts, everyone should be checked because, if “known” people, such as Board Members, are never checked during random checks, it gives the appearance of profiling, which can be offensive. He believes that there are situations where everyone should be checked; otherwise, it appears that the facilitators are playing favorites. Mr. Natiello he expects to be checked and not be given preferential treatment because he is a member of a certain organization.

Mr. McGaffney reported that Mr. Ross is meeting with a vendor regarding an issue at the Creekside pool; Mr. McGaffney will relay the information from today’s meeting to Mr. Ross.

▪ **Possible Amenity Rule Amendments and/or New Rule *(to be provided under separate cover)***

******This item, previously Item 5.D.ii., was presented out of order.******

Supervisor Davidson reviewed the most recent draft of the possible amenity rule changes.

Regarding usage of the gyms, a question was raised regarding whether the policy should state that no one under 15 may use the gyms.

The Board agreed to remove the requirement to brush clay between games at the tennis courts.

Regarding the entry gates at the Crossings and Wild Oaks, this item will remain on hold, as the proposed solution is impractical, given the current gate arm system.

Regarding suspension or loss of amenity privileges for below market value leases, Supervisor Davidson indicated that a policy is not necessary, as beneficial user rights (BUR) cannot be assigned to tenants in below market situations.

Supervisor Davidson eliminated the “NO” section related to suspension or loss of amenity privileges for not complying with reregistration or new owner/renter registration into the new customer relations manager (CRM) database. Referring to the “YES” section, he explained that reregistration shall be a condition of use of the amenities.

Supervisor Davidson suggested that the rules (rental, etc.) regarding the clubhouse gazebo and walkway be reinstated, dependent on ownership by the District and repairs. He confirmed that this is a future item; it will likely not be included in this round of changes, as it requires legal items and repairs, before the District owns them.

Supervisor Davidson recommended a change to establish a statute of limitations for verification of incident reports, such as, incident reports may be rejected if not submitted within 30 days of the incident.

Supervisor Davidson stated that usage of the general liability waiver for nonresident day guests should continue since this is not covered under the residents/tenants use of amenity rules. In response to Mr. McGaffney’s question, Mr. Wrathell confirmed that a nonresident who refuses to sign the liability waiver should be denied entry.

Discussion ensued regarding issuing trespass orders.

In response to Mr. McGaffney’s question, the Board reiterated that no one under 15 may use the gym facilities, regardless of reason.

Supervisor Davidson reviewed the final GHCCDD SAAC Base Scenarios Decision Tree.

*****The meeting recessed at 12:09 p.m.*****

*****The meeting reconvened at 12:19 p.m.*****

- **Nonresident Emergency Support Procedures (to be provided under separate cover)**

*****This item, previously Item 5Di., was presented out of order.*****

Supervisor Davidson reviewed the proposed protocol.

Supervisor Gaeta recommended adding a comma, after the phone number, followed by “Monday through Friday, 8:00 a.m., to 5:00 p.m.”

Supervisor Davidson stated that, once adopted at the next meeting, a letter will be mailed to the individual who currently holds an extra GAD, explaining the new procedure and informing them that the extra GAD will be deactivated.

FOURTH ORDER OF BUSINESS

UPDATES: Field/Operations Manager

A. Village Center Parking Lot Paving

This item was discussed during the Third Order of Business.

FIFTH ORDER OF BUSINESS

DISCUSSION ITEMS

A. Game Plan for Implementation of SAACs and Deactivation of GADs (BOS)

This item was discussed earlier in the meeting.

B. Road Resurfacing Capital Plan [TL]

Supervisor Lawrence distributed an updated list and indicated that he added the two (2) Sailfish Drive, the Marlin Drive resurfacing in 2015 and resurfacing The Village Center and both Creekside parking lots to the list.

Regarding Sailfish Drive, Mr. Wrathell recalled that the \$80,000 budgeted for this fiscal year will be funded from the road reserves. Mr. Wrathell asked Mr. Kloptosky to code the invoices so that the bills are paid from the road reserve funds.

Regarding puddling on Sailfish Drive, Supervisor Davidson stated that he is not convinced that this is a necessary repair, other than that it was promised by some Board Members. He pointed out that, when considering the priority list, absent the puddling and promises, Sailfish Drive would be part of the regular resurfacing plan; it would not be a priority. Supervisor Davidson noted that the District already repaired the flooding issues on Sailfish Drive. He questioned if the water is puddling because of leaves and debris in the drains or if it is due to a malfunction of the drainage system. He wondered if Austin could maintain the system for awhile to determine if that provides the necessary relief.

Supervisor Gaeta stated that she is uncomfortable borrowing from the reserves.

Supervisor Lawrence recalled that he was hesitant to do this but the Board agreed to it. He noted a previous comment by Mr. Kloptosky that the Sailfish Drive puddling is probably the worst he has ever seen.

Mr. Kloptosky stated that he observed the community many times and believes that Sailfish Drive is the District's biggest problem.

Regarding completing the repairs on Sailfish Drive, Supervisor Lawrence voiced his opinion that the Board's credibility is at stake, if the work is not completed. He feels that the Board made a commitment to those residents; therefore, it should be completed. Supervisor Lawrence stressed his opinion that the Board's credibility is more important than higher priority road projects.

Supervisor Smith stated that he drove by the area today and acknowledged the dilemma discussed by Supervisor Lawrence. Regarding the credibility issue, Supervisor Smith pointed out that the Board previously turned down a number of requests due to lack of funds. He speculated on the credibility of the Board spending \$80,000 to repair a puddle. Supervisor Smith agreed that puddling is a problem but questioned if it is an \$80,000 priority problem.

Supervisor Davidson reiterated that the major problem was resolved and wondered if there is another way to manage the conditions until the resurfacing of Sailfish Drive.

Supervisor Chiodo noted that the previous and current District Engineers have investigated the Sailfish Drive issues and neither formulated a stop-gap solution. He feels that the problem will not go away and questioned if the District will realize any savings by delaying the work until the road is resurfaced in a few years.

Supervisor Lawrence reiterated his opinion that the Board's credibility is what is most important, not whether the money is spent in 2013, 2014 or 2015.

Supervisor Davidson asked about the rest of the community and relative values of what the money is being spent on. He suggested that if the District at least tries an alternative approach for a period of time, the Board and community can know that it did what it could, before proceeding with the major repair.

Supervisor Gaeta felt that if the work is completed at the proposed resurfacing time, in 2015 or 2016, then the District can budget for it, rather than utilizing its reserves.

Supervisor Davidson asked Mr. Kloptosky to estimate the cost to have his staff or Austin blow or clean the leaves and water away from the affected driveways.

Mr. Kloptosky stated that he spoke with Mr. Troy Railsback regarding the leaves in the driveways and was told that the language in the CC&Rs is not clear, such that residents can be forced to remove their leaves. Mr. Kloptosky indicated that residents generally remove leaves;

however, one (1) of the homes is vacant for much of the year. He stated that removal could be periodic; therefore, the cost should not be too great.

Mr. Wrathell recommended trying the leaf removal approach for a time and then addressing the major repair during budget discussions, if the alternative approach does not resolve the problem. He noted that, as the rainy season is approaching, the outcome of the alternative approach will be known before the Fiscal Year 2014 budget is finalized.

Mr. Kloptosky felt that the Board's credibility is not in jeopardy, as long as proactive action is observed. He will obtain a quote from Austin to clear leaves and blow water away.

Mr. Wrathell prefers to maintain the \$150,000 road reserve.

Supervisor Lawrence reviewed the remaining road plan figures. He noted that the cost of oil will factor into the calculations and could significantly impact the overall costs, over the years.

Supervisor Lawrence reviewed the recommended road program and his proposed additional O&M assessment amounts, per year, to accomplish the road resurfacing program. His plan proposes assessment increases of \$104, from 2014 through 2019, and \$181, from 2020 through 2034, with the 2020 increase going into effect when the District's bond assessments drop off. He pointed out that, when the old bonds are retired, the District could replace it with another \$314 assessment.

Supervisor Lawrence felt that the \$104 figure could be less because the District has a fairly large amount of capital for road resurfacing.

Mr. Wrathell noted that this plan is a pay as you go type of plan.

C. Escalante Pier

This item was discussed during the Third Order of Business.

D. Update: Keeping Grand Haven Grand (SD)

- i. **Nonresident Emergency Support Procedures *(to be provided under separate cover)***
- ii. **Possible Amenity Rule Amendments and/or New Rule *(to be provided under separate cover)***

These items were discussed earlier in the meeting.

E. Determination and Order of Agenda Items (RS)

Supervisor Smith voiced his opinion that the Board's meetings tend to ramble and do not focus on subjects that require a decision; there is a lack of protocol or the current protocol allows for this. Supervisor Smith felt that the Board could be more effective with its meeting time.

Supervisor Davidson stated that it is better than before but agreed that matters are regurgitated over and over again. He indicated that District Counsel advised against utilizing Robert's Rules of Order; however, the Board could be more aware.

Supervisor Gaeta felt that the Board is making more decisions and carrying fewer things over to future meetings and workshops.

Supervisor Chiodo suggested an agenda item on the regular meeting agenda for items that the Board will make a decision on without further discussion.

Regarding items that the Board will make a decision on at the meeting, Supervisor Smith asked if individual Supervisors could write position papers on the matter and have them included in the agenda package. Mr. Wrathell replied affirmatively. Supervisor Chiodo pointed out that the Board will have already discussed most items it will decide on; therefore, position papers should not be necessary. Supervisor Chiodo wants the decision items to be set apart from the other items. Supervisor Davidson noted that the consent agenda items section serves that purpose.

Mr. Wrathell acknowledged that the Board successfully trimmed their meetings from over six (6) hours to four (4) hours; however, with the current four (4)-hour time limit, the Board has a tendency to fill the entire four (4) hours. Mr. Wrathell felt that the Board is dealing with security issues and other matters that are unique to Grand Haven and, once those matters are completely addressed, meetings should end sooner. He feels that, at this time, the Supervisors should do their best to keep their comments short and to the point. Mr. Wrathell believes the Board must be disciplined in addressing the agenda items quicker and not rehashing the items previously discussed.

Discussion ensued regarding steps or procedures to implement to make the meetings more efficient. Mr. Wrathell suggested identifying agenda items as "consideration" when a decision is to be made to set them apart from discussion items.

Supervisor Gaeta pointed out that everyone is so used to the answer being maybe that they are not willing to move on once a decision is made.

Mr. Alfin voiced his opinion that the Board matured and has become more efficient over the last eight (8) months.

Supervisor Gaeta indicated that April 24 is Administrative Professionals Day and asked if the District plans to recognize its staff, as it did last year. Mr. Kloptosky recalled that \$50

bonuses were given through payroll. Supervisor Chiodo asked Mr. Wrathell to confirm the information and discuss it at the next meeting.

Regarding the Board's accomplishments, Supervisor Lawrence felt that the Board does itself a disservice by not listing its accomplishments for the year while discussing the upcoming budget.

F. Second Parking Space for Main Gate Guard House (BOS)

Mr. Kloptosky had nothing to report. Supervisor Davidson recommended moving this item to the Open Items list. The Board agreed.

Mr. Clark is following up on this matter.

G. Aquatic Systems Inc., Notice of Automatic Renewal of Waterway Management Program

The Board agreed that the contract should be renewed. This item will be placed on the consent items on the next meeting agenda.

Supervisor Davidson questioned if the Lakewatch monitoring commenced. Mr. Kloptosky will follow up.

SIXTH ORDER OF BUSINESS

UPDATES: District Manager

Mr. Wrathell indicated that Mr. Kloptosky approached him regarding a large increase in his health insurance premiums. He explained that, in lieu of providing health insurance to Mr. Kloptosky, the Board voted to increase his compensation in order to pay his health insurance costs. The initial figure was \$10,000 per year but was later revised to 50% of the annual premium amount. The premium, as of April 11, 2012, was \$1,970 per month, equating to the District's portion being \$985 per month. He noted that the actual amount given to Mr. Kloptosky was grossed up so that the net amount he received was \$985 per month.

Mr. Kloptosky stated that the insurance premium increase figures to the District's 50% portion increasing \$159 per month, to a total contribution of \$1,144 per month. Mr. Wrathell stated that the District's contribution amount must be grossed up to reach the net \$1,144 amount, after taxes. Mr. Kloptosky stated that he tried to shop for another policy; however, he cannot, due to a preexisting condition situation.

Mr. Wrathell pointed out that the healthcare changes regarding preexisting conditions will allow Mr. Kloptosky to begin looking for other coverage beginning in October.

Supervisor Lawrence supported increasing the District's contribution to cover Mr. Kloptosky's additional expense, provided Mr. Kloptosky shops for a better deal, once the healthcare changes take effect.

The Board agreed to the increase effective May 1, 2013.

Mr. Wrathell recalled discussion at the last meeting regarding the state unemployment tax issue that went back to the former management company, Rizzetta. He explained that state unemployment can be handled through a reimbursement method, which is the method utilized by Grand Haven until spring, 2009, when Rizzetta was the District Manager. Subsequently, the District switched from the reimbursement method to the contributory method, which is payment of an ongoing rate. Mr. Wrathell stated that Rizzetta established the contributory procedure as a business rate, rather than a governmental rate, and, as a result, ADP was not putting enough money towards the contribution. He recalled that Wrathell, Hunt and Associates became District Manager in October, 2009 but, in 2010, without any authorization, the state changed Rizzetta's address from its Tampa office to its Orlando office.

Mr. Wrathell stated that he directed ADP to resolve the issue and ADP sent a letter to the state notifying them what was done to rectify the issue. The state did not contact the District or ADP but sent notices to Rizzetta, who never forwarded the information to the District. Mr. Wrathell explained that, as a result of no communication from the state, the District and ADP presumed the problem was resolved; however, it was not and the state imposed a penalty rate. With the penalty rate, the amount owed ballooned to \$24,000. As of January, 2013, without the penalty rate, the amount owed would have equated to a \$100 adjustment.

Mr. Wrathell stated that Management tried working with the state to resolve the matter but the state refused. Subsequently, Management challenged the state's actions of changing the mailing address without proper authorization. In spite of Management's efforts, the state still refuses to make an adjustment. Mr. Wrathell indicated that he will prepare a timeline to submit to the state; however, District Counsel must become involved in resolving the issue.

Mr. Wrathell confirmed that this matter came to light when the District was involved in an unemployment matter related to a former employee.

▪ **Continuation of the Field/Operations Manager's Report**

Regarding the ADA pool lifts, Mr. Kloptosky indicated that the contract was signed. The lifts will be ordered, should arrive within two (2) weeks and will be installed once the permitting process is completed.

Mr. Kloptosky advised that he met with St. Johns River Water Management District (SJRWMD) representatives regarding the issues on Chinier. A final determination letter is expected within the next week. Mr. Kloptosky was verbally informed that irrigation will not be allowed because it is a wetland area. Supervisor Gaeta asked if the District could face fines because things were done that should not have been done. Mr. Kloptosky indicated that the representatives did not say; they said that the District has leeway, as there was a choking tree problem. Supervisor Davidson advised that he provided SJRWMD with documents and contracts regarding wildfire mitigation; there is a paper trail showing that someone at SJRWMD approved the work.

Regarding River Trail Drive, Mr. Kloptosky stated that he had not heard about it; however, the SJRWMD representatives received an inquiry regarding River Trail Drive and a property that abuts CDD property and the intracoastal. The prospective buyer wanted clarification of what they can clear. Mr. Kloptosky noted that the SJRWMD representatives were not happy to discover that three (3) other property owners cleared CDD property to gain a view of the intracoastal. He pointed out that, if SJRWMD issues fines, the District will be fined because it is the property owner, even though it was the homeowner who cleared the CDD's property.

Mr. Kloptosky indicated that reregistration is 43% completed for the 18 villages that were called. Eight (8) villages remain to be called.

Regarding The Village Center pergola issue, Mr. Kloptosky indicated that he informed the contractor of the Board's position. The contractor verbally agreed to correct the items on the deficiency list but balked at the \$1,800 portion. No work has taken place, to date.

Mr. Kloptosky recalled the Pelican mailbox situation. He contacted the head of the City of Palm Coast Building Services Department regarding the permit requirement. Mr. Kloptosky stated that the conversation did not go well; the Building Services Department refuses to provide the District with a list of what is needed in order to obtain a permit.

Regarding permits, Supervisor Lawrence stated that, after meeting with Mr. Kloptosky, he contacted Palm Coast Commissioner Jason DeLorenzo. Mr. DeLorenzo advised that the City Manager acknowledges that there may be a problem. An outside agent will be hired to conduct a review of the City's permitting process. Supervisor Lawrence suggested maintaining pressure on the City. Supervisor Davidson indicated that he will discuss this matter with Commissioner Dave Ferguson.

- **UPCOMING MEETING/WORKSHOP DATES:**
 - **BOARD OF SUPERVISORS MEETING**
 - **April 18, 2013 at 9:30 A.M.**
 - **COMMUNITY WORKSHOP**
 - **May 2, 2013 at 10:00 A.M.**

The next meeting will be held on April 18, 2013 at 9:30 a.m., and the next workshop will be on May 2, 2013 at 10:00 a.m.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not addressed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

There being no Supervisors' requests, the next item followed.

NINTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the workshop adjourned.

<p>On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the workshop adjourned at 2:02 p.m.</p>

Secretary/Assistant Secretary

Chair/Vice Chair