

**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, October 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:

Dr. Stephen Davidson
Peter Chiodo
Marie Gaeta
Tom Lawrence
Ray Smith

Chair
Vice Chair
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present were:

Craig Wrathell
Howard McGaffney
Barry Kloptosky
Roy Deary
Robert Ross
Joe Montagna
Victoria Kane
Al Lo Monaco
Diane Thornton
Rob Carlton
Charlie Greer
Sharon Downes
Lisa Mrakovcic

District Manager
Wrathell, Hunt and Associates, LLC
Field Operations Manager
Amenity Management Group (AMG)
Amenity Management Group (AMG)
Amenity Management Group (AMG)
CDD Office Staff
Resident
Resident
Resident
Resident
Resident
Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:04 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.

THIRD ORDER OF BUSINESS

UPDATES: Field/Operations Manager

******This item, previously the Fourth Order of Business, was presented out of order.******

Mr. Kloptosky recapped completed projects and current projects. He indicated that the total costs are approximately \$15,000 higher than previously stated, because of work related to the Marlin Drive pump house. Mr. Kloptosky reviewed the completed projects, including the The Village Center tennis court light repair project for \$40,000, the Pelican Court mailbox relocation for \$3,500, the Esplanade wooden footbridge for railing for \$7,800. The Esplanade bench erosion repair at the Jasmine footbridge, being completed by Seapeck Co., for \$7,040, is in the permitting phase; however, the invoices were generated and, per Management, the costs can be paid in Fiscal Year 2013. Mr. Kloptosky indicated that the Wild Oaks bridge post and rail repairs project will be completed by Hayward Construction Group, LLC (Hayward), for \$39,824; the deposit was paid and he has the check to pay the balance once it is completed so the costs will be posted in Fiscal Year 2013.

Mr. Kloptosky reviewed the projects that have yet to commence, including the clubhouse Pier. The Village Center Café air conditioning (a/c) project is delayed due to contract negotiations between the contractor and the District. Mr. Kloptosky indicated that he was not pleased that the contractor “wasted 5 weeks of the District’s time” in negotiations over the contract so he sought another contractor and will obtain another proposal; if the new contractor’s price is similar and he is willing to sign the District’s contract “as is”, he will decide whether to hire the new contractor.

Supervisor Gaeta asked if the District previously used the a/c contractor. Mr. Kloptosky replied affirmatively, which is why he is confident in the quality of work. Mr. Kloptosky clarified that the contract issue is not the result of the contractor so much as it was with the contractor’s attorney. Mr. Kloptosky stated that the contractor is eager to begin work.

Regarding the Marlin Drive Pump House repair project, Mr. Kloptosky recalled providing the \$57,000 estimate for the interior repairs. He obtained a proposal for the exterior repairs, including permitting costs. Mr. Kloptosky noted an issue with a pump, which was reported to the golf club; however, it has not been repaired.

Mr. Kloptosky estimated that The Village Center pool deck drain repairs will cost \$6,000; he received a proposal for slightly less and the project is ready to commence. He noted that the price includes the single, large strip drain that runs parallel to the length of the pool, in

front; the other drains are intact and/or were secured. Mr. Kloptosky asked if the Board wants him to proceed with repairing one (1) drain or all three (3).

Supervisor Lawrence pointed out that all three (3) drains are the same type, so they will all rust; he believes all of the drains should be repaired. Mr. Kloptosky reiterated that the estimate is for one (1) drain; the contractor charges on a per-foot basis. Supervisor Lawrence asked if the contractor might prorate or give a better price if all three (3) drains are repaired at the same time. Mr. Kloptosky will speak with the contractor.

Regarding the Creekside Road drainage repair project, Mr. Kloptosky advised that S.E. Cline (Cline) submitted an estimate of \$12,000; other estimates were sought but those contractors have been unresponsive.

Mr. Kloptosky stated that the remaining projects, budgeted for Fiscal Year 2013 but extracted to be completed in Fiscal Year 2014, total between \$192,880 and \$212,880.

Regarding the capital improvement project (CIP) costs budgeted for Fiscal Year 2014, Supervisor Lawrence indicated that the Marlin Drive pump house repair is the only one included; none of the other projects were included. Mr. Kloptosky clarified that those projects were included in the Fiscal Year 2013 budget but will not be completed until Fiscal Year 2014 and questioned if there is a way to shift the unused Fiscal Year 2013 funds into Fiscal Year 2014.

Mr. Wrathell explained that the District will be under budget for Fiscal Year 2013 and over budget in Fiscal Year 2014. He indicated that an amendment for the Fiscal Year 2013 budget will be completed in March.

Supervisor Davidson asked if the Sailfish Drive project will come from the roads budget. Supervisor Lawrence advised that the funds will come from the District's Fiscal Year 2013 reserves. Supervisors Davidson, Chiodo and Gaeta voiced their belief that the funds were coming from "roads". Supervisor Lawrence recalled that the District planned to put \$195,000 into "road" reserves, each year, less whatever amount is spent during the year on road repairs, such as the Sailfish Drive project. Supervisor Lawrence recalled that the District planned to pay for it from last year's reserves but, when it was not completed, the reserve funds were not used. The choice this year is to use reserve funds or a portion of the \$195,000 allocated for the "road" reserves.

Mr. Kloptosky presented photographs of the issues at the Marlin Drive pump house, previously discussed. He stated that the seal is blown on a pump, the golf club was notified and

they plan to have it repaired. Mr. Kloptosky voiced his fear that this could happen to all of the pumps.

In response to Supervisor Lawrence's question regarding the status of testing the pipes, Mr. Kloptosky indicated that he forwarded a quote to the Board, yesterday. He recalled that Mr. Skinner knew an engineer who is willing to test the pipes. Mr. Kloptosky noted a slight disclaimer on the quote regarding that they cannot guarantee findings because they do not know what the original thickness was supposed to be, or the specifications. The quote was \$1,475; he voiced his opinion that the testing might not be worth the cost, since the District intended to use the findings to pursue the responsible party for reimbursement.

Supervisor Chiodo stated that the original thickness is not important to him; he is concerned about whether erosion has created a problem.

Mr. Kloptosky reiterated that he is skeptical to spend money to test, if the results are not usable. He noted the \$57,000 quote and stated that the contractor is willing, for a lower price, to disassemble the system, if he gets the job, and conduct visual inspections of the pipes to determine whether they will hold up and for approximately how long. The contractor could also, for a lower price, clean and epoxy paint the pipes, if he feels that it will last a few more years. Mr. Kloptosky indicated that the contractor is fair and knowledgeable.

Supervisor Lawrence voiced his confusion regarding the contractor's statements, as he does not believe that water would erode the insides of the pipes. Mr. Kloptosky confirmed that the contractor is concerned that the insides of the pipes could be corroded, just as the outsides. Mr. Kloptosky reminded the Board that this is exactly the same as the situation with the tennis court lights; rust was on the outside but nothing was done and, when the lights blew down, it was discovered that the poles were rusted from the inside out. Mr. Kloptosky stressed that the contractor is concerned about what he cannot see. The contractor's initial reaction is that the District has a problem that must be fixed; the most that the District can do is buy time by cleaning and epoxy painting the pipes.

Supervisor Lawrence voiced his opinion that, if there is corrosion inside, even a new pipe would eventually be destroyed from the inside out. Mr. Kloptosky confirmed that they do not know where the corrosion originates. Supervisor Lawrence feels that the District needs better definition of what is happening on the inside of the pipes and reiterated his belief that the insides of the pipes would not be corroded. Mr. Kloptosky reiterated that rust was inside the tennis court poles. Supervisor Chiodo pointed out that the tennis court light poles are different; the pipes in

question were designed to have water flow through them, while the light poles were not. Supervisor Chiodo believes that the contractor should inspect the pipes while completing the job. Supervisor Smith suggested conducting the non-destructive testing because the District needs to know the current conditions.

Supervisor Davidson noted that the proposal was to conduct testing at three (3) random locations and wondered if the expense is productive if the random test locations might not be the weak areas. Supervisor Lawrence asked if the pipe exteriors are more corroded, in certain areas, which could be isolated for testing. Mr. Kloptosky confirmed that certain areas are more rusted than others.

Discussion ensued regarding the typical lifespan for these types of pipes and external influences, which might have caused the pipes to rust more quickly, such as storing chemicals in the pump house. Supervisor Gaeta voiced her opinion that the pipes should be repaired, considering that so much is dependent upon irrigation; she suggested being proactive, rather than reactive. Supervisor Smith spoke of his work experience dealing with rusted pipes and stated that he always had the pipes tested first; he supports conducting the non-destructive testing.

Supervisor Davidson asked if the project could proceed or if the Board must vote at the next meeting. Mr. Wrathell advised that, given the nature of the problem and that something could happen before the next meeting, Mr. Kloptosky could proceed, provided the Board agrees, in concept.

Mr. Kloptosky reiterated his opinion that there may be no value to testing, as the contractors include disclaimers; the District might not be able to seek reimbursement from anyone. He stated that the District knows it has a problem and he has a contractor that is willing to work with them to disassemble the system and inspect the interior, which is included in the \$57,000 proposal. Mr. Kloptosky stressed that the contractor is willing to inspect the pipes and give the District the cheapest option; the District is not tied to replacing the pipes. He believes that the District has a serious problem.

Supervisor Davidson asked Mr. Kloptosky if he recommends conducting the non-destructive testing for the proposed \$1,475 price. Mr. Kloptosky reiterated that he believes it is the Board's decision; however, he does not see value in completing the testing. Supervisor Gaeta asked Mr. Kloptosky, from his personal standpoint, what he would do; is the testing something that would simply delay the inevitable. Mr. Kloptosky replied affirmatively; testing would definitely delay the repair project and he does not believe the test results will reveal

anything he does not already know and what could be accomplished within the scope of the \$57,000 proposal.

Mr. Kloptosky stated that the golf club is looking around and bringing contractors to the pump house. The District previously notified the golf club but never heard back, which is why the District became proactive. Mr. Kloptosky voiced his concern that the golf club could argue the proposed cost because they might prefer a “band-aid” type of fix over fully repairing the problem.

Mr. Wrathell stated that the issue came about over years, due to poor maintenance by the golf club; it is the District’s pump house and it behooves the District to fix the problem properly. He suggested that the golf club be notified when work commences.

Mr. Wrathell indicated that Mr. Kloptosky does not recommend conducting the pipe testing, for \$1,475, and asked if any Board Members have an issue with not conducting the tests. Supervisors Smith and Lawrence confirmed that they have an issue. Mr. Wrathell summarized that, currently, the District will not proceed with the testing; the Board can reconsider whether to proceed, at the next Board meeting. Supervisor Lawrence asked that this item be included on the next agenda. Supervisor Chiodo indicated that District Counsel’s opinion is necessary regarding whether the District can spend money to fix the problem, without receiving reimbursement.

FOURTH ORDER OF BUSINESS

UPDATES: Amenity Manager

******This item, previously the Third Order of Business, was presented out of order.******

Regarding checking smart amenity access cards (SAACs), Mr. Ross reported 100% compliance; no one was refused entry. Mr. Ross indicated that swimmers and water aerobics are working together at the Creekside pool; everyone is happy. The nonresident “bible study” participants are paying the \$1 fee previously discussed. Mr. Ross stated that tennis fees are up by approximately 40%, since the new card system was introduced; those that should have been paying the \$10 fee are now doing so. In response to Supervisor Davidson’s question, Mr. Ross confirmed that no one was “testing” the system; everyone had a SAAC.

A. Parking Problems During Creekside Special Events

This item was not discussed.

B. Retail/Commercial Promotions at CDD Community Sponsored Events

This item was not discussed.

FIFTH ORDER OF BUSINESS**DISCUSSION ITEM**

Supervisor Davidson noted confusion regarding the District's distinction between "overnight guests", or "house guests", which is someone who is staying overnight. It was presumed or understood that they do not pay the \$10 "daily guest" fee; however, he could not locate a statement in the Amenity Rules indicating that "overnight or house guests" do not pay the fee. Supervisor Davidson identified this as a point of clarification. He reviewed the handout of the current Amenity Rules regarding "Guests".

A. Continued Discussion: Requests for Proposals**i. Amenity Management Services**

Supervisor Smith noted an inconsistency on Exhibit B, which shows the Creekside hours as 6:30 a.m., to 8:00 p.m., whereas it is 6:00 a.m., to 8:00 p.m., elsewhere in the contract.

Mr. Deary stated that Pages 5 and 9 refer to hours of operation, as do Exhibits B and C. He noted that repeating the same information, multiple times, opens it to inconsistencies. Mr. Deary suggested that Pages 5 and 9 be modified to refer to Exhibits B and C for hours of operation. He feels that the hours of operation should only be listed in one (1) location to reduce the possibility of inconsistency. Mr. Deary suggested that AMG could provide Mr. McGaffney with the hours of operation and details regarding facilitator work hours, etc., after the workshop, rather than taking valuable time now.

The Board reviewed the hours of operation listed in Sections 4.1, 4.2 and 4.3, on Page 5. Mr. Ross confirmed that the hours listed are correct. Supervisor Lawrence agreed with Mr. Deary's suggestion to list the hours of operation once, within the documents, in an exhibit.

Supervisor Gaeta referred to Section 5.2.d, on Pages 5 and 6, and asked who has access to the District's contact lists and how often the passwords are changed. Mr. Ross indicated that passwords are changed twice per year. Supervisor Gaeta asked what happens if an employee separates from AMG or the District and whether the person's name is removed from the constant contact list. Mr. Ross replied no; the person's name was, typically, not removed. Supervisor Gaeta suggested that the process be adjusted.

Noting that he agrees with Supervisor Gaeta's suggestion, Supervisor Smith pointed out that the Board's current focus is on reviewing the RFP document, regarding the amenity provider's responsibilities, under the RFP, rather than entering into detailed discussions regarding operating procedures.

Mr. McGaffney asked if the wording should be changed to state "securely operate".

Supervisor Smith stressed that reviewing the RFP should not include the entire, underlying operating procedures. Mr. Wrathell agreed with Supervisor Smith; some things should be left to the amenity manager to manage, not to the Board to micromanage. Supervisor Davidson advised that, once the RFP review is completed, he wants to review some procedural issues.

The following changes were suggested:

Section 5.2.g., Page 6: Change "identification" to "smart amenity access card photo ID"

Section 5.3.c.3., Page 8: Change "semiannual" to "annual"

Section 5.3.d., (last line), on Page 8: Insert "the first" after "provide"

Section 5.3.e.5, Page 9: Change "semiannual" to "annual" and delete "(Except for the seven (7) tons of clay per year)"

Section 5.4.a, Page 9: Delete the sentences on hours of operation and refer to Exhibits B and C.

Mr. Deary referred to Section 5.4.b. and the statement "The sales generated at the café are expected to cover the expenses of payroll, food and beverage costs." Mr. Deary indicated that he included that language to eliminate the ability of the amenity manager to seek money from the District if it does not break even running the café. Mr. Deary voiced his understanding of Mr. McGaffney's rationale but noted his concern that it is creating an unrealistic expectation; in AMG's experience, they have never accomplished this. Mr. Deary questioned if the Board is comfortable creating that expectation. Supervisor Lawrence felt that Mr. Deary makes a good point. Supervisor Chiodo pointed out that the requirement is not currently occurring. Supervisor Lawrence recalled that the café is usually a \$10,000 per year loss. Mr. Deary indicated that the café is doing a little better this year. Mr. Wrathell referred to the final sentence, which protects the District, and suggested removing the first sentence, as it is not necessary.

The following change was made:

Section 5.4.b., Page 9: Delete the first sentence.

Supervisor Davidson suggested the following changes:

Section 5.2.i., Page 6: Add "The Amenity Director shall keep a Daily Journal of Critical Incidents, Resident Recommendations and Complaints, recording: who, when, what, why, recommended corrective action if required. The Amenity Director shall keep a journal of Daily Guest, Tennis Guest, and Instructions/Activity Fees collected. The Amenity Director shall include monthly summaries of the above journals as part of the Amenity Director's Monthly

Summary Activity Report a Regular GHCCD BOS Meetings. The Amenity Director shall cause to be compiled and present semi-annual (once every six months) Profit and Loss Statements regarding the Village Center Café Food and Beverage operations.”

On Page 10, Mr. Deary recalled previous discussions regarding the number of managers required and asked if the information was updated, as discussed. Supervisor Davidson stated that it does not appear to have been updated, as necessary. Mr. Wrathell indicated that “Café Manager” used to be included. Mr. Deary pointed out that “Café Manager” is still listed, on Page 11. Mr. Deary recalled that the term was to be changed from “Café Manager” to “Assistant Manager”. Mr. McGaffney voiced his opinion that the matter was up for discussion.

Mr. Wrathell felt that, since the “Assistant Manager” description stipulates that they can act as the “Café Manager”, there is no need to remove or change “Café Manager”.

Mr. Deary noted the confusion that it creates, as the first line under Section 5.5.a.7., on Page 11, states “Café Manager: A full-time position that oversees the day-to-day operations of the café.” The descriptions, as listed, imply that the “Assistant Manager” and the “Café Manager” are two (2) separate, full-time positions.

The following change was made:

Section 5.5.a.7., Page 11: Change “A full-time position that” to “This position”

Discussion ensued regarding insurance requirements, under Section 5.8.c.1., on Page 12. Regarding the proof of \$1 million general liability coverage requirement for a subcontractor instructor, Mr. Deary voiced his opinion that it will be difficult for that type of instructor to meet the \$1 million requirement. Supervisor Lawrence questioned if the current subcontractor instructors meet the requirement; is AMG enforcing the requirement. Mr. Deary confirmed that AMG has copies of the insurance certificates but does not recall the coverage limits. Mr. McGaffney was not certain whether the coverage levels were discussed; he believes that he chose to include it, as an assumption. Supervisor Smith confirmed that the subcontractor yoga instructors carry \$1 million coverage. Supervisor Davidson favored including the \$1 million requirement. Mr. Wrathell advised that maintaining the requirement results in larger companies contracting for the services, rather than small “mom and pop” operations.

Supervisor Gaeta referred to Section 5.8.a.4., on Page 12, which states “All food providers used must be reputable and known in the food and beverage industry.” and asked if AMG consistently uses the same food suppliers. Mr. Deary noted that there are not many food suppliers in Florida; however, AMG has used at least three (3) suppliers over the last six (6)

years. Supervisor Gaeta asked if one (1) supplier is used more than others. Mr. Ross indicated that AMG currently uses U.S. Foods.

Regarding Section 5.8.a.5., on Page 12, and the requirement that “There must be at least one (1) person on staff that has been professionally trained by a reputable company in the upkeep and maintenance of clay tennis courts and hydration systems.”, Supervisor Lawrence asked if AMG does that. Mr. Deary advised that Brian is not on AMG staff; he is a subcontractor. Noting that Brian is the “expert” and does this for a living, Mr. Deary recommended that the District be flexible with the requirement that the person doing the work be on AMG’s staff. Mr. Deary acknowledged that, in the past, staff employees, including Mr. McGaffney, knew how to do it. Mr. Ross clarified that AMG runs training courses. Mr. McGaffney acknowledged that Kevin and Mr. Ross are professionally trained. It was suggested that “on staff” be changed to “be available”. Mr. McGaffney contended that the purpose of adding that requirement into the RFP is to ensure that the District gets what it wants, in that regard, and not allowing an untrained person, such as a landscaper, to perform clay maintenance. Mr. Wrathell recommended that the “on staff” requirement remain. Supervisor Smith pointed out that AMG currently subcontracts the work. Mr. Ross indicated that employees perform the maintenance. Mr. McGaffney added that those employees are trained by Welsh Tennis. Mr. Wrathell voiced his belief that AMG should have someone on staff who knows what should be done and that it is done correctly, even if they use a subcontractor for the job.

Discussion ensued regarding the “Management Services Agreement”, beginning on Page 23.

Supervisor Davidson referred to the early termination statement, on Pages 23 and 24, “In the event that the CDD terminates this Agreement and such termination is not as a result of a default of the obligations and responsibilities of the Management Company under this Agreement, then the CDD shall pay an early termination fee of 2.5% on all outstanding invoices through the date of termination.” He could not recall ever seeing that provision in the District’s other contracts.

Mr. Deary indicated that the provision was from a multi-year agreement involving a 2.5% discount that AMG provided to the District; the thought was for the contractor to recover what the District would have paid, full price, versus what it paid under the discount, if the District terminated the contract early. Supervisor Davidson felt that “on a multi-year contract” should be added or the line should be eliminated. Mr. Deary explained that, in the contract, the District has

a 30-day “out”, so the provision was intended to balance the contractor, by requiring the District to pay back the discount that the vendor offered, based on the multi-year contract. Supervisor Smith supported removing the provision in the contract but inserting it, if a multi-year contract is negotiated.

The following change was made:

Section 3., Pages 23 and 24: Remove “In the event that the CDD terminates this Agreement and such termination is not as a result of a default of the obligations and responsibilities of the Management Company under this Agreement, then the CDD shall pay an early termination fee of 2.5% on all outstanding invoices through the date of termination.”

Supervisor Gaeta referred to Section 5., on Page 24, and asked who makes the determination regarding whether a repair, performed by the amenity manager, is an emergency. Mr. Kloptosky indicated that he is typically notified of everything, especially emergencies, so he usually has input.

The following changes were made:

Section 5., Page 25, 5 lines up from bottom of section: Insert “and upon notification to the Field Operations Manager,” after “emergency,”

Section 6.(b)(ii), Page 26: Insert at the end “May function as Café Manager.”

Section 6.(b)(vii) , Page 26: Change “A full-time position that” to “A position”

Section 6.(e), Page 27: Remove the last bullet point “Printing and associated expense for Resident Directory”

Section 9, fourth line down, on Page 28: Insert “safely” after “of”

Section 9, fourth line down, on Page 28: Change “reasonable” to “reasonably”

Regarding Section 9., Recreation/Instruction Programs., Supervisor Davidson indicated that there are three (3) classifications of instructors. The first category is AMG subcontractor instructors. The second category includes nonresident instructors, such as the current yoga instructors. In the first two (2) categories, the fees pass through AMG, who keeps 10% and the remaining fees are given to the instructors.

The third category involves resident instructors. Supervisor Davidson pointed out that he has been informed by the Amenity Director that a resident instructor is believed to currently instruct 80 people, for \$20 per month, which equates to earnings of nearly \$20,000 per year, with no known accountability; the money is being paid directly to the instructor. If this is the case, Supervisor Davidson finds the situation unacceptable. Mr. Deary pointed out that this practice

contradicts the District's contract with AMG. Supervisor Lawrence felt that it is AMG's responsibility to enforce the situation. Supervisor Davidson stated that the Amenity Director does not know if the resident instructor carries liability insurance.

Mr. McGaffney recalled bringing this matter before the Board four (4) years ago and, due to the sensitive nature of it, the Board decided to call the class a "club", in order to allow those taking the class to pay the fee directly to the instructor, to offset the cost of materials. Mr. McGaffney was unsure how the District could validate the financial aspect, aside from requiring the instructor to show financial proof of his fees, versus his expenditures.

Supervisor Lawrence voiced his opinion that the District has a policy for instructors and AMG, or the Board, must inform the instructor of the policy. Supervisor Davidson questioned what the Board wants. Supervisor Lawrence believes that the course fee should pass through AMG and, as with other classes, AMG would retain its 10% and give the instructor the remaining 90%. Mr. Deary confirmed that all other classes operate in this manner; AMG has liability exposure, as the facilities operator and for on-site programs. Supervisor Lawrence pointed out that the "touchy" issue is that the instructor will not be happy. Supervisor Davidson asked if it is determined to be true, if the Board is comfortable with an instructor receiving \$20 per month from 80 people, using the District's facilities, receiving nothing and having no proof of liability insurance. Supervisor Davidson summarized that if this is true, the resident would then be conducting a business, in the District's facilities, for a fairly good sum of money. Supervisor Smith felt that the process should be consistent for all instructors, regardless of whether the instructor is a subcontractor, nonresident or resident. Supervisor Lawrence agreed with Supervisor Smith's position. Mr. Deary pointed out a requirement for AMG to maintain all vendor agreements; AMG is responsible for managing it but cannot, under the current situation. Supervisor Davidson stated that, in the situation under discussion, the resident instructor is not a vendor/contractor. Mr. Deary contended that he should be. Supervisor Chiodo agreed with Mr. Deary.

Mr. Wrathell noted that the District does not know if the resident instructor has insurance or if the District is named as an "additional insured".

Supervisor Chiodo felt that, given the likely reaction, the best approach is for the District to notify the resident instructor via a mailed letter.

Mr. Deary suggested that the transition could be eased if AMG keeps a lower percentage the first year, such as 5%, followed by 10% the second year; the agreement states that AMG can take “up to 10%” but they can choose to keep less.

Supervisor Smith asked what class this pertains to. Supervisor Lawrence indicated that it relates to the tai chi classes.

Mr. Wrathell believes that verbal notification of the Board’s position is best.

Supervisor Davidson clarified that the number of participants previously mentioned might not be accurate.

AMG will notify the instructor and, if necessary, Management will draft a letter.

Referring back to Supervisor Davidson’s changes to Section 5.2.i., Mr. McGaffney asked if the proposed language is to be inserted and the existing language deleted. Supervisor Davidson replied no and stressed that the language is in addition to the existing language; nothing is being struck.

Regarding the tai chi instructor, Mr. Kloptosky questioned if AMG ever approached the instructor about the procedure. Mr. Deary replied no; AMG’s understanding was that the Board identified it as a “club” and AMG was to not interfere. Mr. Kloptosky wondered why this instructor was not required to comply.

Referring to the “Evaluation Criteria Sheet”, on Page 14, Supervisor Davidson stated that he approves of the ranking form for each Supervisor to individually rank the firms; however, when the Board votes, he wants each Board Member to vote for one (1) firm, rather than adding all of the Board Members’ scores together, to determine the #1 ranked firm. Supervisor Smith asked if Board Members are compelled to vote based on their individual rankings. Supervisor Davidson indicated that the Supervisor’s vote is their personal business. Supervisor Smith asked if a Supervisor must abide by their individual rankings. Mr. Wrathell noted the disclaimer on the form stating “non binding Supervisors comparison evaluation”.

Supervisor Lawrence noted that the form then becomes a tool to assist the Supervisors but it will not be turned in. Acknowledging the Board’s direction, Mr. Wrathell questioned whether it would be best to not include the evaluation sheet. Supervisor Lawrence felt that the form is important because it points out that price only carries a weight of 15%. Mr. Wrathell advised that the ranking form clearly establishes that price is a small aspect; the decision is qualification based. Mr. Wrathell noted his discomfort with including a ranking sheet, if the Board does not intend to use it. Mr. Deary pointed out that, from a bidder’s perspective, even

with the “non binding” disclaimer statement, the “Evaluation Criteria Sheet” gives the impression that the Board is being guided by those criteria; bidders gear their proposals and presentations to address the items lists and, to be told later that the criteria were not relevant, is frustrating.

Discussion ensued regarding a previous District Engineering Services RFP and issues related to the way Supervisors awarded points. Supervisor Davidson suggested that some tried to be fair, while others appeared to skew their scoring to favor their preferred firm. Supervisor Davidson feels that adding all of the scores together opens the process to manipulation by individual Supervisors.

Mr. Wrathell agreed with Mr. Deary’s comment that the form gives the impression that the criteria will be considered. He reiterated that the form protects the District from a possible challenge, as it is clear that price is not heavily weighted in the decision.

Supervisor Lawrence voiced his hope that each Supervisor would complete the form intellectually and honestly. He stated that Supervisor Davidson is implying that Supervisors would use the form to influence the final totals.

Supervisor Davidson noted that each Supervisor’s individual level of evaluation can influence the final also, such as if a Supervisor never gives anyone full value, etc. He stated, if this form will cause a problem and, given the potential for variability, he prefers to remove it from the RFP and give each Supervisor one (1) vote.

Supervisor Lawrence reiterated his opinion that the form is helpful and should remain in the RFP.

Mr. Wrathell indicated that the Board could discuss their individual rankings, hear each other’s comments and make adjustments to their scores, if necessary, prior to the final vote.

Supervisor Davidson suggested listing the evaluation categories in order of importance, highest to lowest, rather than attaching point values to them. All Supervisors supported this approach.

Mr. Deary voiced his opinion that, while it is appropriate to ask each presenter to leave the room while another is presenting, he does not believe that the firms should be asked to leave during the Board’s discussion. He noted that it is difficult to be kept in the dark regarding what motivated the Board’s selection.

Supervisor Smith pointed out that the meeting is public so there is no reason to ask them to leave during the Board’s discussion. Supervisor Lawrence agreed. Supervisor Davidson

summarized that the firms will leave the room when another firm is presenting but all firms will be invited back to the room during the Board's discussions.

- **Guest Passes Policy Draft**

Supervisor Davidson recalled his earlier discussion regarding a distinction between "overnight guests" or "house guests" and "daily guests". It was presumed, or understood, that "house guests", who are staying overnight, do not pay the \$10 "daily guest" fee; however, he could not locate a statement in the Amenity Rules indicating that "overnight or house guests" do not pay the fee. He pointed out that this policy seems to relate to "daily guests" but it does not specify. Supervisor Davidson asked for suggestions of how to distinguish them.

Supervisor Smith asked who wrote the draft policy. Mr. Wrathell indicated that Mr. McGaffney worked with Mr. Deary to develop the draft. Supervisor Smith recommended incorporating the distinction between "house guests" and "daily guests" into the policy.

Supervisor Davidson discussed the term "house guest", registration requirements and noted that, once registered, a "house guest" can enter the facilities unaccompanied. He questioned whether the Board wants to continue allowing any guests to use the facilities unaccompanied, as he feels it opens it up to allowing a lot of people to use the facilities.

Supervisor Gaeta felt that the number of guests must be quantified, as the current policy does not relate to the current system with the SAACs, etc.

Mr. Wrathell questioned why the District would have different classifications for guests, when the "house guest" designation can be completely abused. Mr. Deary added that the term "house guest" is not used in any other community that his company manages. Supervisor Davidson acknowledged that the District might need to change its Amenity Rules. Mr. Wrathell noted that having a "house guest" designation, versus "daily guest", works against what the District is trying to accomplish with the rollout of the new SAACs, etc. Mr. Wrathell suggested that the "house guest" concept creates an opening to "get around" what the Board has tried to accomplish.

Supervisor Lawrence recalled that the "house guest" concept originated to give residents the opportunity to have their family and friends utilize the facilities, without paying the \$10 per day "daily guest" fee.

Supervisor Davidson pointed out that other CDDs make guest distinctions based on in or out of the county, relatives, etc., which allow them to not be charged.

Mr. McGaffney asked how the District handles it when an owner is not present but allows their children to reside in the home for two (2) weeks. Supervisor Davidson indicated that children have the ability to use the facilities, regardless. Mr. McGaffney questioned how a nonresident child shows up at an event without the parental homeowner. Supervisor Gaeta clarified that the current discussion relates to a homeowner that has a houseguest that will stay with them for a few months, for instance; it is not practical for the person to pay \$10 per day for use of the amenity facilities. Regarding the term "house guest", Mr. Wrathell voiced his belief that lineal descendants were previously defined; he felt that legitimate "house guests" are usually family who are visiting, as opposed to defining anyone as a "house guest". Supervisors Davidson, Chiodo and Gaeta disagreed with Mr. Wrathell.

- **Annual Maximum Number of Guest Passes**
- **Validity Period of Passes**
- **Daily Maximum Number of Guest Passes**
- **CDD Policy Examples**
 - **Village CDDs Guest ID Card Program Policy**
 - **Arlington Ridge CDD Recreational Facilities Use Policy**

These items were deferred to the next meeting.

- **Suggested Additions/Recommendations from BOS/Staff**

This item was previously discussed.

ii. Security Services

- **RFP Recommendations from BOS/Staff**
- **Recommendations from Undersheriff, Rick Staly**

This item was discussed later in the meeting.

*****The workshop recessed at 11:55 a.m.*****

*****The workshop reconvened at 12:09 p.m.******

B. Update: Keeping Grand Haven Grand [SD]

i. Resident Database Questions from FOM Staff

Ms. Kane indicated that vehicle registrations must be kept up-to-date, as they are used to prove ownership of the vehicle. She noted that, as of October 1, the system contains over 1,000 expired registrations.

Supervisor Lawrence pointed out that most residents probably renewed their vehicle registrations; it is simply a matter of the resident notifying the office so the records can be updated.

Supervisor Davidson advised that the District wants to maintain vehicle registration information as a way of tracking GADs. Discussion ensued regarding the ability of the database to generate reports. Mr. Wrathell questioned if the system could be automated in such a way that it could automatically email a resident when their registration is about to expire. Ms. Kane indicated that it is possible using multiple programs, exports and mail merges; she estimated that it would take about one (1) hour, per month, to complete this process, once the initial set up is completed. Supervisor Lawrence asked what is necessary to prove registration. Ms. Kane advised that the office maintains a copy of the vehicle registration. Supervisor Gaeta suggested that registrations could be scanned, emailed, faxed or mailed.

Supervisor Davidson suggested that residents be notified that the office is updating the information.

The following questions were posed and the Board's suggestions are included in italics:

1. How often should we update the vehicle registrations? *Once per month*
2. Once the report is run and resident is contacted, how long should we give the residents to get the registrations updated? *Indicate to residents one (1) month or 30 days but process would be 45 days, giving two (2) weeks to respond, after the final call*
3. How do you want us to contact the residents to update the registrations? *Email, postcard notification 15 days later and telephone call 30 days after initial email notification*
4. At what point do we turn off gate access devices (GADs) for non-registered vehicles? *45 days after the initial email notification*

Discussion ensued regarding maintaining rental leases in the resident database.

The following questions were posed and the Board's suggestions are included in italics:

1. How often should we look at leases for expired leases? *Once per month*
2. When updated leases are requested, how long should residents be given to update the lease? *30 days*
3. Should we contact the property management company or owner for an updated lease or contact the resident? *Property management company and/or owner first, followed by resident (currently contacting by phone)*
4. At what point do we turn off the GADs and SAACs for the household due to non-current lease on file? *30 days after the initial notification*

Supervisor Gaeta asked the process for notifying AMG and others, once the GADs and SAACs are deactivated. Ms. Kane explained that the SAACs are deactivated with a single click on the computer; once the system updates, the SAAC is deactivated. Ms. Kane confirmed that AMG is not currently provided with a list of names as SAACs are deactivated.

Regarding vehicle registrations, Supervisor Smith asked if the GADs and SAACs will both be deactivated for failure to provide a registration. Supervisor Davidson indicated that only the GADs will be deactivated when a current vehicle registration is not received. In response to a question, Ms. Kane indicated that a resident is given a three (3)-day access pass by the guards, if their GAD is not working, along with instructions to go to the CDD office to resolve the problem; the guards will not renew the pass.

Discussion ensued regarding the procedure when properties are sold, how the CDD discovers that a property is sold or has new residents. Supervisor Davidson asked Ms. Diane Thornton, a resident and real estate agent, how the District can easily determine when a property is sold. Ms. Thornton indicated that the information is updated on the real estate MLS system every day, except for the "for sale by owner" properties. Ms. Thornton confirmed that the CDD office could be provided with a list of sold properties.

The following questions were posed and the Board's suggestions are included in italics:

1. At what point should we remove old owners if the new owners have not registered with the office? *One (1) week from the day of sale, along with deactivating GADs and SAACs*
2. When residents move from one (1) property to another, do we wait for them to come in and update their information or do we update the database once we have been informed? How long should a resident be given to come in and update their account before the GADs and SAACs are turned off? *Five (5) days from the day of sale*

Supervisor Smith discussed the CDD staff's recent efforts and suggested consideration of one (1)-time bonuses, in recognition of their work. Supervisor Lawrence, Gaeta, Davidson and Chiodo agreed. Mr. Kloptosky stressed that all CDD employees work very hard.

▪ **Security Services**

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

- **RFP Recommendations from BOS/Staff**
- **Recommendations from Undersheriff, Rick Staly**

Discussion ensued regarding Section 4.1, on Page 5, and whether it is necessary for the security services RFP to include the hours of operation for The Village Center, Creekside and the CDD office.

Supervisor Gaeta questioned if the RFP requires the security officers to be bonded and if continuing education and training are required; should it be stated more specifically. Mr. Wrathell indicated that "Schedule A", on Page 9, lists the requirements.

The following change was made:

Schedule A, Section 3, Page 9: Insert "annually" after "test"

Schedule A, Section 2, Page 9: Insert "and continuing on an annual basis" after "Property"

Discussion ensued regarding how often the security provider should meet with Mr. Kloptosky. Mr. Kloptosky indicated that, while they do not meet formally or on a specified frequency, he is in constant contact with the current security supervisor. The Board agreed that the RFP already states that contact is required.

Supervisor Gaeta questioned if the RFP should include a provision against nepotism. Supervisor Davidson asked if there is a current issue that the Board should be aware of. Supervisor Gaeta replied no.

Mr. Wrathell recalled that Ms. Cindy Gartzke, of ABM Security (ABM), was to provide login information regarding golf course members and employees; the language for the RFP remains pending. Supervisor Davidson directed Mr. Kloptosky to obtain the language from Ms. Gartzke.

The following change was made:

Section 2, Item 3., Page 14: Change "as" to "at"

Section 3, BACKGROUND INFORMATION, Page 15: After "questions", delete "and request that the individual go to the sales center for a guided tour"

Supervisor Davidson noted that Mr. Clark's input is pending in Section 3, Items E.2., and F.3., on Page 16. Mr. Wrathell confirmed that Mr. Clark is working on this.

The following changes were made under **CLARIFICATION OF GATE ACCESS POLICIES**:

Item 1.a., Page 18: Change "one (1) week" to three (3) days; grant non-renewable three (3)-day pass"

Item 1.b., Page 18: Change “Do not grant access if unable to verify.” to “Gate officer must inform CDD office of non-working or lost gate access device.”

The following change was made under Section 5 DELIVERIES TO RESIDENTS:

RESIDENT GATE OPERATION, Item 2.: Insert “within three (3) days” after “office”

Discussion ensued regarding Section 6, EVALUATION CRITERIA SHEET. The Board agreed to revise the language regarding how the Board will value the items, in order of value, proceed with the one (1) vote, per Supervisor approach, previously discussed for the Amenity Services RFP, and not include the evaluation form in the RFP.

Supervisor Smith questioned the term “Technology Experience”, currently included on the evaluation form. Mr. McGaffney stated that he included it because he believes those at the gate should be computer savvy, considering the time and money spent on the database system. The Board agreed to change the term from “Technology Experience” to “Computer Experience”.

The following change was made to AGREEMENT FOR SECURITY AND LOSS PREVENTION SERVICES:

Section 2., Officer Reports, Page 38: change “determined place and time” to “place and time as determined by the CDD Field Operations Manager”

C. Revised CIP [TL]

Supervisor Smith recalled Mr. Kloptosky’s slide presentation and the plan to move \$98,000 of unspent Fiscal Year 2013 funds into Fiscal Year 2014, and questioned why the budget amendment will not occur until March, 2014. Mr. Wrathell indicated that the Board does not need to wait until March; March was suggested so that the amendment coincides with the final audit.

Supervisor Smith noted \$195,000 listed as “expected capital”, on the summary page, along with Mr. Kloptosky’s presentation which identified approximately \$200,000 worth of projects, and asked the status of the District. Supervisor Lawrence discussed the ten (10)-year capital improvement plan (CIP) and explained that he included the items that were planned for Fiscal Year 2014, which equals \$199,402 and the items shown by Mr. Kloptosky amount to about \$163,000. Supervisor Lawrence voiced his feeling that the District will encounter a major CIP problem in Fiscal Year 2014; the District will be over budget, if it does not eliminate some of the projects. Mr. Wrathell indicated that the District budgeted \$252,000 for “General infrastructure replacement and repair”, in Fiscal Year 2013; of that amount, \$98,000 was spent.

Mr. Wrathell indicated that the Unaudited Financial Statement as of September 30, 2013 will be included in the next agenda; he will also provide a list of the expenses that total the "Infrastructure reinvestment" expenditures.

Supervisor Lawrence voiced his belief that the District spent all of the money it budgeted for Fiscal Year 2013, without including these projects. Supervisors Chiodo and Gaeta disagreed. Mr. Wrathell pointed out that approximately \$50,000 budgeted for "renewal and replacement" and "litigation" has not been spent, equaling \$100,000. Supervisor Lawrence pointed out that none of the projects listed on his CIP, for Fiscal Year 2014, are the same as Mr. Kloptosky's "approved projects" list. Regarding the September Unaudited Financial Statements, Mr. Wrathell cautioned that the District will likely be under budget in certain categories; however, it will be a condition of not yet receiving the invoices.

Supervisor Lawrence asked if the District is under budget, in Fiscal 2013, would those funds carry over to Fiscal Year 2014. Mr. Wrathell stated that, if the District is over budget in Fiscal Year 2014, a notation will be made that it was under budget in Fiscal Year 2013 and the built up fund balance is being used towards the Fiscal Year 2014 projects.

Regarding the CIP budget amount, Supervisor Lawrence noted that the District seems to exceed the CIP budget every year; the Board might need to consider increasing the budget. Mr. Wrathell voiced his opinion that the District is replacing and repairing items with better quality than the original items; therefore, they should have greater longevity.

Supervisor Davidson noted that the \$20,000 expense for Item C., related to Chinier Street, is not on Supervisor Lawrence's list and asked if it must be added. Supervisor Gaeta questioned why the Board would be considering only one (1) section of the community related to Firewise. Supervisor Davidson indicated that this is an accounting question; the Chinier Street project was never added into the expenditures. Supervisors Lawrence and Chiodo agreed that if they move the \$20,000 Chinier Street expense into the horticulturalist's budget, she will simply have to spend less. Supervisor Gaeta stated that she does not want the District to open itself to other sections of the community wanting work done on the areas behind their homes. Supervisor Davidson stated that it is unavoidable. Supervisor Lawrence indicated that the "landscape renovation" budget is \$85,000, with \$50,000 marked for vine removal; taking the \$20,000 Chinier Street project from that line item will result in the horticulturalist having only \$15,000 for the remainder of the fiscal year, to address all of the District's other landscape needs.

Regarding the Chinier Street project, Supervisor Lawrence recalled discussion of installing landscaping on North Front Street, to keep people from parking on the area. Supervisor Lawrence stated that he has an issue with rewarding bad behavior with upgraded landscaping. Mr. Kloptosky clarified that the purpose was related to fire prevention. Supervisor Lawrence contended that the Bahia grass has grown back and he has not observed people parking on it. Discussion ensued regarding alternatives for the area.

This item was deferred to the next meeting.

D. Consider Adding Chinier Street Firewise and Re-Landscaping Plan to Infrastructure Reinvestment [BOS]

This item was discussed during Item 6.C.

E. Cost Savings Analysis [BK]

This item was not discussed.

F. Process for Vacating Trespass Orders [SD]

This item was not discussed.

SIXTH ORDER OF BUSINESS

UPDATES: District Manager

Recalling the ADP issue, Mr. Wrathell indicated ADP paid the \$28,000 owed and a smaller payment is due next quarter.

• UPCOMING MEETING/WORKSHOP DATES:

○ BOARD OF SUPERVISORS MEETING

- October 17, 2013 at 9:30 A.M.**

The next meeting will be on October 17, 2013 at 9:30 a.m. Mr. Wrathell advised the Board that he will be on vacation and Mr. Paton will attend the meeting.

○ COMMUNITY WORKSHOP

- November 7, 2013 at 10:00 A.M.**

The next workshop will be November 7, 2013 at 10:00 a.m.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not addressed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Davidson asked Mr. Kloptosky to report on an additional item.

Mr. Kloptosky indicated that Seagate Homes is building a home on Waterside Parkway and he discovered an encroachment issue. During construction of the driveway, a stormwater structure was discovered. Mr. Kloptosky plans to notify Seagate Homes that they must build a retaining wall to the height of the cap, which will hide the structure and preserve the berm. He explained that this will require the builder to redraw their plans and go back to the city for permitting and the ADC for review. Mr. Kloptosky indicated that, once this is all done, the driveway can be installed on the District's utility easement.

Mr. Kloptosky advised that he spoke with Mr. Clark regarding this matter and presented proposed language for a letter to Seagate Homes. He stated that Mr. Clark's opinion was that the builder should work around the structure; they can adjust the driveway location and install a retaining wall at their expense to stabilize the berm and hide the clean out structure. Mr. Kloptosky confirmed that he agrees with this approach.

Regarding easements, Mr. Kloptosky indicated that the Lake Watch project commenced. He reported that the resident at 61 River Trail is refusing to allow boat access, in order to obtain samples. Mr. Kloptosky acknowledged that the resident has no right to refuse entry; however, he is creating great resistance and giving the worker a difficult time. He noted that Aquatic Systems purchased a raft to walk down the easement to the lake to obtain samples. Mr. Kloptosky pointed out that this particular resident has planted trees in the easement, which do not belong within the easement.

Supervisor Smith recommended that, while the raft idea might solve the sampling issue, the resident should be notified of his legal and nonlegal rights because, in the future, the resident needs to understand that it is an easement and the District has full right to access on it. Mr. Wrathell stressed that the longer the District allows things, such as the trees, to remain in the easement, the greater the problem, in the future.

Mr. Kloptosky advised that he obtained a \$1,700 quote to repair the pergola and is prepared to begin the project.

NINTH ORDER OF BUSINESS**ADJOURNMENT**

There being nothing further to discuss, the workshop adjourned.

On MOTION by Supervisor Smith and seconded by Supervisor Gaeta, with all in favor, the meeting adjourned at 2:17 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair