

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

A Regular Meeting and two Public Hearings of the Grand Haven Community Development District's Board of Supervisors were held on **Thursday, September 3, 2015** in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137**. The Regular Meeting began at **3:00 p.m.**, with the Public Hearings commencing at **5:00 p.m.**

**Present at the meeting were:**

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

**Also present were:**

Craig Wrathell	District Manager
Rick Woodville	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Jim Sullivan	District Engineer
Barry Kloptosky	Field Operations Manager
Robert Ross	Vesta/AMG
Ashley Higgins	Grand Haven CDD Office
Andrea Knox	Escalante Golf
Fred Herndon	Resident
Tom Byrne	Resident
Pat Maloney	Resident
Russell Leavitt	Resident
David Ferguson	Resident
Jim Gallo	Resident
Residents	

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. Wrathell called the meeting to order at 3:03 p.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**

**PUBLIC COMMENTS *(3-Minute Rule; Non-Agenda Items)***

Supervisor Davidson advised that Mr. Fred Herndon, a resident, had questions related to the Symposium on Street Trees, Sidewalks, Roadways and Homes.

Mr. Herndon indicated that he bought in Grand Haven in March, 2013, and, on April 20, 2013, he received the title insurance and deed, which contained 86 Official Record (OR) exclusions in the title insurance. He noted another resident, in a different village, who bought after him, whose title insurance had 125 OR exclusions, which he felt was a “red flag”. Mr. Herndon researched the OR records at Southern States Management Group (Southern States) but the records were in poor order so he obtained 86 records from the Flagler County OR. He found that the plat maps were ignored during the establishment of Grand Haven and there were addendums to the plat maps. Mr. Herndon explained that plat maps identify the easements, who is responsible for the easement and its purpose. He discussed the history of the plat maps and determining the owner, on a specific date. Mr. Herndon stated that information is ignored because each addendum to a plat map was an agreement between Grand Haven Developers and the County and, as a result, they are labeled as a restriction and covenant that comes with the land and carries the same weight and law as the Covenants, Conditions and Restrictions (CC&Rs). He surmised that the District “has a mess to live with; we’ve got to correct it”.

Mr. Herndon recalled a comment at the symposium that the District has no road right-of-ways (ROWs); however, according to the Architecture Design Committee (ADC) Standards, there is a road ROW and it includes the easements and sidewalks. Mr. Herndon read “property owners shall be required to construct a sidewalk along the entire length of their front property within the road ROW” and asked if that statement was true.

Mr. Clark could not confirm whether the information was true and explained that was a requirement in the ADC Standards. Furthermore, Mr. Clark did not recall the statement that the District did not have road ROWs, at the symposium and pointed out that there are road ROWs in many locations. Regarding sidewalks, Mr. Clark indicated that, generally, sidewalks are outside of the ROW.

It was noted that several of Mr. Herndon’s issues do not involve the CDD.

Mr. Clark stated that he reviewed Mr. Herndon's questions and reviewed the information he provided. Mr. Clark read and responded to Mr. Herndon's questions as follows:

1. Given a prior failure to correctly designate management of easements, sidewalks and street trees, does failure to act, wherein creation of legal transfer on part of declarant, in conveying and the Master Association in receiving the conveyance, constitute default acceptance, based on rules of the CC&Rs and governing state, county and local ordinances?

Mr. Clark indicated that plats typically contain dedications, either general or specific; most of the CDD's dedications are specific but the dedications were different, over the years. He explained that, recently, the dedications became more specific. Mr. Clark advised that a public entity does not assume an obligation to do something simply based on the language in the dedication; the public entity must agree whether it will take over the function. He pointed out that, in some instances it is obvious but in others it is not; however, a government cannot take over a responsibility through inaction or silence, it must do something indicating that it accepted the responsibility. For many easements, some areas are, generally dedicated to the District as assigns, such as the stormwater system; earlier plats do not contain the CDD name but are easements in the District's favor because the District accepted and undertook maintenance of the stormwater system. In other situations, such as the sewer utility, which could be the Districts, if one considers the CDD as an assign of the developer; however, the CDD does not operate the sewer system and did not accept the benefit or burden of those easements.

Mr. Clark summarized that a number of easements are generic and contain sidewalks and, the fact that the easements contain sidewalks does not create an obligation to the CDD or any governmental entity. He noted a tract in Wild Oaks labeled "Community Center" and, while the CDD owns the tract, it has not undertaken the responsibility to build a community center; no one can demand that the District build a community center simply because the plat designated the area for a community center. Regarding sidewalks, typical to the community, which are located on a lot but within a 15' easement, the CDD never did anything demonstrating that it took the sidewalks on; therefore, those sidewalks are not the CDD's responsibility. In many of the later plats, the dedications of certain tracts to the CDD included the terms "sidewalk" or "pedestrian access easements", etc., which he is still reviewing but believed that they were related to pedestrian access easements that are specific areas located in the plat that pass between lots and are intended to provide access from one subdivision to another or to another area. Mr. Clark

believed that those originated from the County and City planners' desires to create pedestrian mobility to deter people from driving, if they could walk.

Mr. Clark reiterated that easements do not bind the District to build a sidewalk but, it would likely become the District's responsibility if it built a sidewalk. He explained that other sidewalks are related to common area tracts and the dedications containing the word "sidewalk" refer to tracts and not lots; on some District-owned tracts, the District built sidewalks and maintains them.

Mr. Herndon stated that the failure occurred when the declarant signed everything over and "shut down all association", which left the current GHMA owning easements. He indicated that, a new OR was filed in September, 2006, in which all sub-associations were "shut down" and turned over to the GHMA.

Supervisor Smith asked about the relevance of this matter to the CDD. Mr. Herndon voiced his opinion that, someone must own the easements and, if no one owns them, they revert back to the property owner and he could "bust up the sidewalk". Mr. Herndon asked who owns the easement and voiced his opinion that, if the matter is not resolved, there would be a "712 Problem", which is the marketability of title to every property in Grand Haven. Supervisor Smith commented that this is a GHMA issue and Mr. Herndon should be communicating with the GHMA attorney.

Mr. Herndon indicated that, in the "177 law" it states that any responsible agent can assume everything and "wipe the book clean".

Mr. Clark continued with responses to Mr. Herndon's questions:

2. Referred to voluntary assumption by the governing body, under Chapter 177.

Mr. Clark explained that a dedication can be made and the governing body must agree to some action to take something over. For example, except for those sidewalks owned by the CDD, the CDD did nothing indicating that it wanted to take over maintenance related to sidewalks with the easements.

3. Does the CDD require transfer documents from the declarant developer or the Master Association to be the governing management and maintenance agency for curbs, sidewalks and street trees?

Mr. Clark advised that, if the District wanted to assume maintenance, it would require a transfer document to alleviate confusion. Additionally, the District has a rule requiring a transfer document and following a procedure for anything that it takes over.

Mr. Herndon stated that the hidden meaning behind Question 3, was, “if you don’t do it, some kind of transfer or document, if that’s not done, in other words there is...I cannot find anything that legally transfers easements even to the GHMA. Now, on year 30, of the CC&Rs, we go into a marketable title problem if we don’t solve that problem.....that’s in 177 is backing that document, if you don’t do the easement management and transfer correctly, all of the sidewalks will be lost in ‘Never, Never Land’.”

Mr. Clark voiced his opinion that this was an issue for the GHMA.

Mr. Herndon contended that it must be addressed by everyone.

Mr. Clark felt that Questions 4 and 5 were homeowner questions and not a CDD matter. He did not understand Question 6 and how it affects the CDD.

Mr. Herndon indicated that Question 6 makes dedications and reservations and they call it “sidewalks”, “pedestrian walk” or “bicycle path”, in various places. Mr. Clark believed that all of the terms referred to different things. Mr. Herndon agreed “they are different things but they are the same easement”. Discussion ensued regarding the plat addendums.

Mr. Clark explained that, when CDDs transition and resident Boards take control, the developer leaves and some things are not completed. In those situations, it is not uncommon for property owners to point out what the developer was supposed to do and want the CDD to complete the work; however, the CDD is not required to do it because “the developer saying in writing that he was going to do something doesn’t make it your problem if it doesn’t get done”. Mr. Clark stated that plat agreements usually state that the developer shall build sidewalks....within or in front of lots at the time individual homes were built. He recalled discussion, at the symposium, about making installation of sidewalks part of the home building approval process.

Mr. Herndon discussed driveway requirements. He stated that the term “private driveways” was used in the dedications and reserves in the plat maps to permit sidewalks and bike paths to cross driveways. Mr. Herndon contended that one cannot “build a sidewalk the length of your road frontage, you can’t do that because you already built your driveway, so you have dual conflicting things here, so you’ve got to be very careful”.

Supervisor Davidson asked District Counsel to research the exclusions on the title insurance because he also has exclusions.

Mr. Herndon stated that the lawyer who did the closing “doesn’t want to talk about it” and has not responded since April. He reiterated his opinion “we have a real problem”.

Mr. Clark explained that a title insurance commitment and policy means that the property owner is protected from any loss related to the title to the property, except for certain things. He advised that the purchaser should have read and understood all of the exclusions; however, most purchasers do not.

Mr. Herndon indicated that the plat map was excluded in his policy. Mr. Clark agreed that exclusion of the plat map would be an error in the policy and Mr. Herndon should continue contacting the title company.

Mr. Herndon voiced his opinion that, if the easements are not “put in place, we are going to end up with a marketable title problem in year 30”; he believed that the title company would relate the missing documents to the future marketability.

**FOURTH ORDER OF BUSINESS**

**STAFF REPORTS**

**A. District Engineer**

Mr. Sullivan indicated that the Sailfish Drive project has not commenced. Regarding the Creekside parking lot expansion project, Mr. Sullivan felt that the issues with the City should be resolved by next week.

Mr. Kloptosky distributed a letter received from the City regarding the permit application. He noted that, since the permit was not finalized within the time frame, the District must resubmit an application and pay a \$100 fee, even though the permit was delayed by the City. Discussion ensued regarding whether the District should pay the \$100 fee. Mr. Sullivan felt it was wise to pay it and move forward.

Mr. Kloptosky distributed a proposal obtained from S.E. Cline Construction (Cline), for the Creekside parking lot project, and indicated that the original estimate from Cline was \$122,288 but the proposed amount was \$98,760.89 and, with landscaping and irrigation, the total would be \$106,325.89. He advised that the landscaping portion would also be bid by Austin Outdoor (Austin) and recommended considering that portion separately. Additionally, the project will incur streetlight relocation costs.

Mr. Kloptosky referred to a line item on the Fiscal Year 2015 Capital Improvement Plan (CIP) budget of \$64,000 for the Creekside parking lot project, which included \$42,000 for Cline, \$12,000 in engineering fees and \$10,000 for landscaping. He was unsure how the \$64,000 amount was reached, as the original cost estimate from Cline was \$122,000. Mr. Kloptosky pointed out that the difference would create an issue going forward with the CIP budget and asked how the Board wanted to proceed.

Supervisor Lawrence indicated that the \$64,000 amount predated Cline's first estimate and the amount was never updated. He noted that the District has sufficient capital to complete the project and saw no reason to delay the project; the CIP will be updated.

In response to Supervisor Smith's question, Mr. Kloptosky stated that the Creekside parking lot extension will be on the south side of the Creekside amenity building; 28 parking spaces will be added to the east between Marlin Drive and the soccer field.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, the S.E. Cline Construction proposal of \$98,760.89 for the Creekside parking lot expansion, and other costs for landscaping and streetlights, including relocation, for a total project not-to-exceed amount of \$120,000, and authorizing District Counsel to prepare an agreement, were approved.**

**B. Amenity Manager**

Mr. Ross indicated that 350 people were expected at the Labor Day Bash, on Monday.

**C. Field/Operations Manager**

Mr. Kloptosky reported that all payments were received for the insurance claims, discussed at previous meetings. He advised of another insurance claim related to lightning striking a tree on Egret, on the circle near Osprey, which traveled to the monument and "blew the sign completely apart". Mr. Kloptosky is obtaining proposals to repair the monument, surrounding landscaping, trees and irrigation that were damaged; he expected the claim to exceed the District's \$5,000 deductible.

- i. Quote#GHCDD081415 from Hi-Lite Solutions for Pressure Washing [\$5,075.00]**

Mr. Kloptosky provided three quotes for a pressure washer machine. He recommended purchasing the AEROGREEN pressure washer for \$5,075. He discussed the advantages of the AEROGREEN machine, compared to other pressure washers.

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, the Hi-Lite Solutions, LLC, quote for the AEROGREEN MysticWasher 30” Rotary Pressure Cleaning System, in a not-to-exceed amount of \$5,075, was approved.**

In response to Supervisor Chiodo’s question, Mr. Kloptosky expressed his belief that the machine had a warranty.

Mr. Kloptosky advised that, beginning tomorrow, the Grand Haven Room would be closed for the duct work, ceiling repair and fan installation, which will be underway during the September 17, 2015 Workshop.

Mr. Kloptosky recalled discussion, at the last meeting, of property owners, at 17 Blue Oak Lane, who are building a home and demanding that certain lake banks be cleaned and cleared. Ms. Leister met with the property owners, asked them to stop and was told that they would stop. Since that conversation with Ms. Leister, Mr. Kloptosky found that the property owners continued cutting things down on the other side of the bank, along with a large Brazilian Pepper tree and deposited the debris into the natural area. He provided a copy of a letter sent by Ms. Leister and photographs. He explained that one area would be addressed prior to the closing. The property owner also cut on CDD property and a neighboring lot and across the lake. Mr. Kloptosky obtained a \$600 proposal from Austin to clear the debris in the natural area.

In response to Supervisor Davidson’s question, Mr. Kloptosky indicated that the property owners admitted to Ms. Leister that they cut and cleared the areas but did not admit it to him.

Supervisor Davidson asked what the District could do, other than seeking monetary damages. Mr. Clark advised that the District can seek monetary damages but does not have the ability to fine the property owners. Mr. Clark recommended sending a “strong” letter to the property owners emphasizing that they trespassed and engaged in illegal actions, which, if continued, could result in a criminal action. Supervisor Davidson asked Mr. Clark to prepare the letter, with a demand for payment by a specified date. Supervisor Lawrence asked if the cost could be put on the property owners’ tax bill, if they do not pay it. Mr. Clark recalled that Ms.



Leister was to evaluate the area to determine other potential damage. Mr. Kloptosky stated that, based on the photographs, other areas had issues with spartina grass; therefore, Ms. Leister felt it would be unfair to charge the property owners for those costs and believed that the cut spartina would grow back. The Board wished to also bill those property owners for Ms. Leister and District Counsel's fees related to this matter.

Mr. Kloptosky recalled that these property owners routinely called the CDD office and the GHMA manager, as they wanted the CDD to clear the areas and, when the CDD staff refused, they proceeded to remove the vegetation themselves. He noted that the homebuilder also contacted the GHMA manager.

In response to a question, Ms. Higgins stated that the property owners were not "abusive"; rather, they were demanding.

Supervisor Smith voiced surprise that the District had no other mechanism, such as loss of amenity privileges, in situations such as this, other than cost recovery. Mr. Clark confirmed that, since the ponds are an amenity, the District could proceed with issuing a first warning notice for both the vegetation cutting and the treatment of staff. The Board agreed that District Counsel's letter should include a first warning notice, along with notification that future costs could be incurred.

Mr. Kloptosky recalled a landscape encroachment onto CDD property, at 5 Ibis Court and distributed a copy of the letter Ms. Leister sent to the resident; a letter was pending for 11 River Park Drive North, where a garden was planted into CDD property.

Mr. Kloptosky presented Ms. Leister's determination regarding a letter received from the Riverview Condo Association.

Supervisor Davidson asked if Mr. Kloptosky ever received complaints from the Riverview Condo Association about drainage or lake issues that needed review. Mr. Kloptosky replied no.

Supervisor Davidson surmised that the Riverview Condo Association claimed the issue occurred all the time, yet, they never informed anyone. He felt that the Riverview Condo Association's excuse was unacceptable. Supervisor Davidson was against accepting their offer to pay \$320 of the \$3,000 repair costs and suggested that Ms. Leister's invoice be included, as well, and that District Counsel send a letter stating that the Riverview Condo Association violated CDD space, performed incorrect work, damaged the CDD's property and, if full

payment is not received within ten days, the \$3,200 fee will be assessed to all 48 condo owners, via the tax bill.

Mr. Clark explained that, if the condo owners must be assessed, the assessment would be budgeted into the Fiscal Year 2017 budget and the 48 condo owners would be assessed for the costs. Supervisor Davidson asked if the 48 condo owners could be copied on the letter. Mr. Clark replied affirmatively.

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, authorization for District Counsel to send a letter to the Riverview Condo Association advising that they violated CDD space, performed incorrect work, damaged the CDD's property and, if full payment is not received within ten days, the \$3,200 costs will be assessed to all 48 condo owners, via the tax bill, and to copy all 48 condo owners, were approved.**

It was noted that the \$320 check was payable to Austin, as the Riverview Condo Association felt that it was only responsible for the cost of new sod. Mr. Clark directed Mr. Wrathell to return the check and advise that a letter from District Counsel was forthcoming. District Counsel's letter should also include Ms. Leister's analysis of the damage.

Mr. Tom Byrne, of the New Construction Architecture Design Committee (NCADC), asked to receive a copy of the documents regarding 17 Blue Oak Lane that will be sent to Mr. Clark so that he can present them at the next NCADC meeting, as the ADC has not approved the landscape plan.

Mr. Kloptosky requested that Ms. Higgins present a comparison chart of the utility bills for regular streetlights and LED streetlights. On average, the streetlight utility cost was 61% lower during May, June and July, 2015, compared to the same months in 2014. Using the total streetlight utility costs for 2014 plus a 5% increase and retaining the current streetlights, there was an estimated utility cost of \$43,122 for the streetlights; however, applying the 61% cost savings of \$26,000, the utility cost would decrease to approximately \$16,817, if the streetlights were converted to LED lights.

Figures were presented related to maintenance costs of the streetlights. It was noted that certain maintenance costs would be eliminated or reduced, once the streetlights are converted to LED. It was indicated that streetlight related costs, Fiscal Year to date, were about \$10,000, plus

employee hourly costs of approximately \$817. The potential savings by converting to LED streetlights would be \$26,000 in utility costs, \$10,000 in maintenance costs, \$1,000 on the streetlight service and \$800 in employee time, for a total yearly savings of approximately \$38,300.

Mr. Kloptosky stated that there are 495 streetlights and 12 were previously completed, leaving 483. The NexStar Electrical Contractors, LLC., \$104,729 proposal to convert 483 streetlights was the lowest. Ms. Higgins stated that, based on the potential savings, it would take approximately 2.5 years to recover the conversion costs. Mr. Kloptosky believed that the LED bulbs carried a five-year warranty. Supervisor Lawrence asked Mr. Kloptosky to find out the likelihood that all of the LED lights would need to be replaced at the same time. Mr. Kloptosky noted that household LED lights have a lifespan of about 22 years; therefore, he believed that the LED streetlight bulbs would last beyond the five-year warranty time. Discussion ensued regarding the brightness and impact of LED lights. Mr. Kloptosky indicated that the common areas would be converted first.

Supervisor Chiodo motioned to authorize transition to LED streetlights, as quickly as possible, and Supervisor Lawrence seconded the motion.

In response to Supervisor Smith's question, Mr. Kloptosky advised that the labor costs related to the conversion would be approximately \$11,500, equating to a cost of about \$23 per light to install the conversion kit and bulb; once converted, bulb replacement should be less. The Board asked Mr. Kloptosky to research the cost for individual replacement LED bulbs.

Supervisor Smith referred to the Green Performance Systems proposal, which included installation of a lighting arrester at lighting sub-panels and asked if it was desirable. Mr. Kloptosky stated the other contractors felt that the "extras" were not necessary; however, he could inquire about the cost.

Mr. Kloptosky confirmed that he will obtain the cost of replacement bulbs and the expected lifespan of the LED bulbs.

Supervisor Davidson wanted assurance that there would be no controversy or displeasure with the light quality. He suggested installing a sign at the test area and testing an area in one village, to gauge resident response, prior to contracting for the entire project.

Mr. Kloptosky pointed out that he received no comments or inquiries since the test strand was installed; therefore, he believed that no one would notice. Supervisor Davidson acknowledged Mr. Kloptosky's observation but wanted to be 100% cautious. Mr. Kloptosky

recommended splitting the contract into two phases and completing the common areas first. It was noted that residents might be favorable if they know it could result in a 61% savings. Supervisor Lawrence indicated that LED streetlights have been used in residential communities for awhile and found no negatives about them in his online research. Mr. Kloptosky recalled that the contractor was renting a lift; therefore, the cost for the second phase could be affected.

Mr. Wrathell recommended continuing today’s meeting to September 17, 2015 and considering this item then.

Supervisor Davidson asked that a sign be installed near the test area. Supervisor Smith wanted an e-blast sent to the community.

Supervisor Chiodo rescinded his motion.

**D. District Counsel**

There being nothing additional to report, the next item followed.

**E. District Manager**

**i. Upcoming community Workshop/Regular Meeting Dates**

○ **COMMUNITY WORKSHOP**

▪ **September 17, 2015 at 10:00 A.M.**

Mr. Wrathell indicated today’s meeting will be continued to September 17, 2015 at 10:00 a.m., and the workshop will commence immediately following the continued meeting.

**FIFTH ORDER OF BUSINESS**

**BUSINESS ITEMS**

**A. Debrief: Symposium on Street Trees, Sidewalks, Roadways and Homes**

Supervisor Davidson discussed the success of the symposium and Dr. Gilman’s comments that Grand Haven CDD’s approach is a model of what other communities in Florida should be doing.

In response to a question, Mr. Clark confirmed that today was the conclusion of questions arising from the symposium.

Supervisor Smith asked if this “generic” topic would be on the workshop agenda. Supervisor Davidson replied affirmatively, as it requires much discussion.

**B. Consideration of/Decision on: Personnel Manual**

Mr. Wrathell presented the Personnel Manual for the Board’s consideration.

**On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the Personnel Manual was approved.**

**C. Continued Discussion: Business Plan Long-Term Strategic Goals**

Supervisor Davidson presented a sample e-blast regarding this item.

▪ **9<sup>th</sup> Green Site**

*\*\*\*This item was an addition to the agenda.\*\*\**

Supervisor Chiodo spoke with Mr. Jim Cullis, of Grand Haven Realty, regarding the 9<sup>th</sup> Green site and the potential rebirth of the senior living facility. He advised Mr. Cullis that the Board was still interested in the 9<sup>th</sup> Green site but would be more interested at a lower price. Mr. Cullis informed Supervisor Chiodo that he paid more than \$40,000 in assessments on the property, which Supervisor Chiodo found irrelevant. Supervisor Chiodo felt that the next move was Mr. Cullis' and expected Mr. Cullis to approach the Board if he again needed the previously needed easement areas, at which time the 9<sup>th</sup> Green site could be discussed.

In response to Supervisor Gaeta's question, Mr. Wrathell indicated that the Board decided not to obtain an independent appraisal of the site.

▪ **Business Plan Long-Term Strategic Goals**

Discussion of this item resumed.

Supervisor Davidson reviewed the sample e-blast to residents.

The following change was made:

Insert a "." after "input" and remove the remainder of the sentence

**SIXTH ORDER OF BUSINESS**

**OPEN ITEMS**

This item was not discussed.

**SEVENTH ORDER OF BUSINESS**

**SUPERVISORS' REQUESTS**

Supervisor Gaeta suggested that the new Community Information Guide contain a section with "suggested" vendors but include a disclaimer that those vendors are not endorsed by the CDD Board or GHMA Board. She felt that it would assist residents and that advertising could be sold to vendors that wanted to be included in the list.

Mr. Clark preferred that, from a legal standpoint, the District avoid endorsing anybody and the issue becomes worse if the District endorses someone who is giving the District advertising money, as it creates liability.

Supervisors Lawrence, Smith and Davidson were against identifying “suggested” vendors.

Ms. Pat Maloney, a resident, voiced her support for the LED streetlight conversion; it would be money well spent.

***\*\*\*The meeting recessed at 4:56 p.m.\*\*\****

***\*\*\*The meeting reconvened at 5:05 p.m.\*\*\****

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

- **Presentation: Accomplishments of the District**

***\*\*\*This item was an addition to the agenda.\*\*\****

Mr. Kloptosky presented an overview and slideshow of capital and community improvement projects for Fiscal Year 2015. He highlighted The Crossings gate replacement, replacement of two gazebo columns, installation of new driveways at both entrances to the pump house, pipe repair at 57 Osprey, Creekside pool and spa repairs, various Creekside croquet court repairs and improvements, installation of an electronics closet at The Village Center office, purchase and installation of a new range in the café kitchen, installation of a petanque court, pickleball court improvements and purchase and installation of a cooler and protective gate. Community improvements included installation of benches in the park areas, conversion to LED lights on the monuments, pressure washing curbs, installation of 4 bicycle racks and 2 additional concrete slabs, replacement of stormwater drain grates, asphalt repairs near sewer boxes, various erosion repair projects, replacement of three cameras, installation of high-resolution license plate cameras, and installation of power and air conditioning in the storage shed. Mr. Kloptosky noted replacement of the pressure washer, CDD office copier, pool and spa filters, two dishwashers and The Village Center spa heater and gym and office heat pumps.

Mr. Kloptosky presented projects anticipated for Fiscal Year 2016, including landscape repairs, repave roads and cul-de-sacs, replace rotted wooden signs on Waterside Parkway, stormwater easement repairs, concrete road repairs, Lakeview pump house concrete driveway and parking space, complete upgrade to HD cameras at all entrance gates, replace entrance lights

at the Main and South Gates and holiday lighting option, add four benches and garbage pails on Waterside Parkway, garbage pails and coquina path at The Crossings entrance, convert streetlights to LED bulbs, purchase concrete mixer, rejuvenate coquina path along Ditch 10, stucco repair at The Village Center, replace surround on the bocce and shuffleboard courts, install fountain, benches and awning at pickleball courts, replace exterior lights at The Village Center, replace benches and garbage pails at The Village Center and Creekside, resurface The Village Center tennis courts 5 and 7, replace The Village Center and Creekside pool and spa filters, café expansion at The Village Center, replace three bikes, treadmills and steppers, replace one A/C unit and replace Creekside Tiki bar tile and bar stools. He noted that a television was installed at the tiki bar.

#### **EIGHTH ORDER OF BUSINESS**

#### **Public Hearing to Hear Comments and Objections on the Adoption of the District's Final Budget for Fiscal Year 2015/2016, Pursuant to Florida Law**

Mr. Wrathell indicated that the Board recognized that the District's infrastructure, amenities and facilities are aging and must be reinvested in.

Mr. Wrathell referred to the "Proposed Assessments" table, on Page 17. He advised that Fiscal Year 2016 commences on October 1, 2015 and ends on September 30, 2016; this budget will be funded through assessments on the November, 2015, tax bill, which will be due by March 31, 2016. Mr. Wrathell explained that assessments paid in November are discounted 4% and assessments paid in March pay the full amount.

Mr. Wrathell summarized that the overall assessment increased \$87.74, over Fiscal Year 2015. He noted that four of the units were related to the 9<sup>th</sup> Green site and could drop off and excess "Fund Balance" would absorb the lost assessments for those four units. Mr. Wrathell indicated that the number of assessable units was derived from the Assessment Methodology.

Mr. Wrathell explained that the "Admin & Field Ops" portion of the assessment increased \$62.98 per unit and the "Infrastructure Reinvestment" assessment increased \$21.76 per unit, over Fiscal Year 2015; there was no change in the "Debt Service" fund assessment.

Mr. Wrathell reviewed the "Revenues", on Page 2, and "Expenditures", on Pages 2 through 5 and provided brief explanations of various line items. He noted that the proposed expenditures were fairly consistent with Fiscal Year 2015 and slight fluctuations in some line items were generally related to actual costs. "Legal" was increased from 68,900, in Fiscal Year

2015, to \$80,000, in Fiscal Year 2016, and “Engineering” was decreased from \$40,000 to \$18,000.

Supervisor Davidson asked if the music licensing fees were included in the proposed Fiscal Year 2016 budget. Mr. Wrathell confirmed that it was not budgeted but the fees could be added.

Mr. Wrathell advised that “IT support” was increased from \$6,000 to \$15,000 due to the recently expanded IT services.

Mr. Wrathell reviewed the “Field operations” “Expenditures”, on Pages 3 and 4, noting slight fluctuations. He pointed out that “Horticultural consultant” was increased from \$4,800 to \$7,000 due to Ms. Leister’s increased responsibilities. “Landscape maintenance contract services was decreased from \$534,607 to \$515,380, as the croquet court maintenance portion was removed; a new \$26,000 “Landscape maintenance: croquet” line item was added, as the work will be performed by a different contractor.

Mr. Wrathell highlighted increases in the “Payroll”, “Merit pay/bonus”, on Page 3. Supervisor Smith asked Mr. Kloptosky for assurance that he is using the budgeted “Merit pay/bonus” fund. Mr. Kloptosky stated that a small portion was used but not very much. Mr. Wrathell indicated that more was used than currently reflected, as Mr. Kloptosky recently reviewed his employees and awarded bonuses, also, Mr. Kloptosky was recently awarded a bonus, which would come from that line item. Mr. Wrathell felt that the amount would be closer to budget, once the recent bonuses were reflected. Supervisor Smith stated that the Board was pleased with Mr. Kloptosky and his staff and budgeted for bonuses with the expectation that the “rewards” would be distributed to deserving employees and wanted assurance that it happened. Mr. Wrathell pointed out that bonuses are at Mr. Kloptosky’s discretion.

Mr. Wrathell reported increases in “Payroll services”, “Mileage reimb: operations manager” and “Car allowance: staff” line items, under “Staff support and amenity operations”, on Page 3. “Amenity Management” increased from \$463,325 to \$477,225, based on the District’s contract with the amenity management company.

On Page 4, Mr. Wrathell indicated that “Community maintenance” increased from \$50,000 to \$75,000. The \$17,225 “Additional guards” line item was added in anticipation increasing the number of guards. “Guardhouse & gate facility maintenance” was increased from \$13,500 to \$17,500, as the costs trended upward, over recent years. Mr. Wrathell stated that a \$20,000 “Community information guide” line item was added in anticipation of updating and



publishing a new guide. He pointed out that “Miscellaneous contingency” was decreased from \$34,219 to \$4,000, due to the addition of budget line items.

Mr. Wrathell summarized that the “Infrastructure reinvestment” category decreased from \$718,000 to \$590,969. He noted that the list of capital projects was previously included with the budget; however, it is no longer included because the list is constantly evolving, as projects arise, so it contains broad categories and is managed to accommodate what arises.

Mr. Wrathell referred to the “Excess/(deficiency) of revenues over/(under) expenditures” line item, on Page 5, and indicated that the proposed budget anticipates that revenues will exceed expenditures by \$248,476; however, \$239,723 will slide into the “Roads (2018 project)<sup>8</sup>” line item.

In response to Supervisor Lawrence’s question regarding the financial health of the District, Mr. Wrathell voiced his opinion that Grand Haven CDD is in the top 5% with regard to forethought, planning and building reserves and the District’s position improves, yearly.

In response to Supervisor Gaeta’s comment, Mr. Wrathell explained that the “Roads (2018 project)<sup>8</sup>” funds are being set aside specifically for the anticipated road project; the figure does not include any other road projects. He advised against using those funds for other or routine road repairs.

Mr. Wrathell indicated that Pages 6 through 12 provide detailed definitions of the “Expenditures”.

Mr. Wrathell reviewed the “Debt Service Fund Budget - Series 2004A Bonds”, on Page 13, and pointed out that these bonds are related to Wild Oaks and will mature on May 1, 2019. If collections continue in the same manner, the District should have sufficient funds to pay its final year of debt service, along with a portion of the prior year. When the bond is closer to maturity, the excess cash can be used for payments. He explained collection and payment of principal, on November 1, and principal and interest on May 1. Mr. Wrathell referred to the “Debt Service Fund Budget – Series 2008 Bonds”, on Page 15 and stated that the bonds will mature on May 1, 2019, as well.

Mr. Wrathell explained “Exhibit 3”, on Page 20, which details the District’s shared expenses with Escalante.

#### **A. Affidavit of Publication**

Mr. Wrathell presented the affidavit of publication for today’s Public Hearing. He noted that a mailed notice was sent to property owners regarding the assessment increase.

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

Mr. Russell Leavitt, a resident, asked what consumer price index (CPI) rate was used. Mr. Wrathell believed that Management's CPI increase was 1.5% or 1.8%. Mr. Leavitt asked about the CPI increase for other budget items. Mr. Wrathell stated that increases in other line items were not CPI adjustments; the increases were based on historical figures for prior and the current years and/or rate adjustments. Mr. Leavitt pointed out several line items where the six-month actual and the 12-month figures are significantly different, such as "Amenity maintenance", on Page 4, which showed \$16,465 spent in the first six months but projected another \$58,535 to be spent in the last six months of the fiscal year, "Security staffing contract services" which spent \$48,884 in the first six months but projected to spend another \$71,983 in the last six months of the fiscal year, etc. Mr. Leavitt asked about the "Payroll" line item, on Page 3, where \$120,675 was expended during the first six months and \$159,196 was projected to be spent in the last six months of the fiscal year.

Mr. Wrathell explained that invoices are generally received a month following the service; therefore, in many instances, the March invoices were not received and could not be included in the "Actual through 3/31/15" column amounts. He advised that the District uses a modified accrual basis of accounting.

Mr. Leavitt pointed out that the explanation would not be true with "Payroll" expenses. Mr. Wrathell agreed that the "Payroll" figures were accurate. Mr. Leavitt asked the reason for the increase. Mr. Wrathell indicated that the increased budget amount included employee raises of up to 5% and an additional employee. Mr. Wrathell noted that the District was understaffed for a portion of Fiscal Year 2015.

Mr. Leavitt referred to the \$3,438,792 "Total Revenues" line item, under the "Fiscal Year 2015", "Total Revenue and Expenditures" column, on Page 2, which was projected to be greater than the projected \$3,295,063 Fiscal Year 2016 "Total Expenditures", on Page 4.

Mr. Wrathell reviewed the "Revenues" line items that contribute to why revenues will exceed budget, including "Amenity activity share", "Settlements", "Interest and miscellaneous", which was mostly related to an insurance reimbursement check, which increased revenues over the budgeted amount. He discussed the impact of the four 9<sup>th</sup> Green site assessments, if removed.

Mr. Leavitt pointed out that, even if the revenue line items identified by Mr. Wrathell were removed, "Revenues" would still exceed the projected Fiscal Year 2016 "Expenditures". Mr. Wrathell indicated that the overage was part of the funds being added to the Fiscal Year

2018 roads project reserve. Mr. Wrathell stated that, generally, the District does not generate profit but, when revenues exceed expenses, it is because the District is trying to increase its fund balance.

Mr. David Ferguson, a resident, complimented everyone who maintains the community; it is clean and attractive. Regarding the \$84.74 assessment increase, he felt that a presentation quantifying the cost of the improvements presented by Mr. Kloptosky might better explain the need for an increase than a “dry” numbers presentation. Supervisor Lawrence pointed out that the CIP projects list contains the improvements. Mr. Ferguson voiced his opinion that it is more meaningful when shown something and how much it costs. It was noted that Mr. Kloptosky presented photographs of various completed projects and Mr. Kloptosky and Supervisor Lawrence prepared a list of the projects, which is discussed at the monthly meetings.

Supervisor Smith explained Mr. Ferguson’s suggestion that, next year, the presentation identify and quantify the coming fiscal year’s projects that the assessment was related to. Mr. Kloptosky contended that it was included in his presentation. Supervisor Smith pointed out that Mr. Kloptosky’s presentation did not quantify the cost of future projects, as related to the assessment increase. Supervisor Davidson agreed that next year’s presentation should include the cost and photographs of completed projects but not the estimated costs of future projects.

Mr. Jim Gallo, a resident, asked for assurance that the \$18,822 “Amenity activity share” line item, on Page 2, was the amount that the Amenity Manager shared with the District. Mr. Wrathell confirmed that it was the amount shared with the District. Mr. Gallo recalled that the revenue from the Crescent lawsuit was received in Fiscal Year 2014. Mr. Wrathell advised that most of the funds were received in Fiscal Year 2014; however, a small portion was received in Fiscal Year 2015.

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

**B. Consideration of/Decision on: Resolution 2015-6, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016, Pursuant to Florida Law**

Mr. Wrathell presented Resolution 2015-6 for the Board’s consideration and read the title into the record:

“THE ANNUAL APPROPRIATION RESOLUTION OF THE GRAND HAVEN COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016”

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, Resolution 2015-6, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016, Pursuant to Florida Law, was adopted.**

**NINTH ORDER OF BUSINESS**

**Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the Budget for Fiscal Year 2015/2016, Pursuant to Florida Law**

**A. Mailed Notice to Property Owner**

This item was discussed during Item 8.A.

**B. Consideration of/Decision on: Resolution 2015-7, Imposing Maintenance and Operation Special Assessments to Fund the District’s Proposed Budget(s) for Fiscal Year 2015/2016; Adoption of an Assessment Roll and the Levy, Collection and Enforcement of Special Assessments; Providing for Amendment of the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date**

Mr. Wrathell presented Resolution 2015-7 for the Board’s consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GRAND HAVEN COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2015/2016; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.”

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, Resolution 2015-7, Imposing Maintenance and Operation Special Assessments to Fund the District’s Proposed Budget(s) for Fiscal Year 2015/2016; Adoption of an Assessment Roll and the Levy, Collection and Enforcement of Special Assessments; Providing for Amendment of the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.**

**TENTH ORDER OF BUSINESS**

**Consideration of Resolution 2015-8,  
Adopting the Annual Meeting Schedule  
for Fiscal Year 2015/2016**

Mr. Wrathell presented Resolution 2015-8 for the Board’s consideration. It was noted that the title of the Regular Meeting schedule must be changed from “2016/2016” to “2015/2016”. The Fiscal Year 2016 Workshop schedule was also included.

Supervisor Davidson indicated that he will be unable to attend the December and November, 2015, and the September, 2016, meetings.

**On MOTION by Supervisor Smith and seconded by Supervisor Chiodo, with all in favor, Resolution 2015-8, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016, as amended, and authorizing Staff to advertise, accordingly, was adopted.**

**ELEVENTH ORDER OF BUSINESS**

**ADJOURNMENT**

There being no further business to discuss, the meeting recessed at 6:20 p.m. and was continued to September 17, 2015 at 10:00 a.m., at this location.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, recessed at 6:20 p.m., and was continued to September 17, 2015 at 10:00 a.m., at this location.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

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Chair/Vice Chair