

**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, June 4, 2015, at 10:00 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting were:

Dr. Stephen Davidson	Chair
Pete 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
Barry Kloptosky	Field Operations Manager
Robert Ross	Vesta/AMG
Ashley Higgins	CDD Office Staff
Jim Cullis	Grand Haven Realty
Kevin Mays	ICI Homes
Jean Ball	ICI Homes
Chip Hunter	Resident
Vic Natiello	Resident
Rob Carlton	Resident
Ron Merlo	Resident
Jim Gallo	Resident
Lisa Mrakovcic	Resident
Bob Olsen	Resident
Bob Hopkins	Resident
Vincent Marmo	Resident
David Reisman	Resident
Charles Greer	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:03 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

- **Discovery Living Project**

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

Mr. Jim Cullis, of Grand Haven Realty, reported that Discovery Senior Living (Discovery) decided against proceeding with the project, due to the issues with the City, which would increase the cost to a level that would be too expensive. He questioned if the District was still interested in purchasing the 9th Green site, for \$44,500, given the change in plans.

Supervisor Davidson asked Mr. Cullis to explain Discovery's decision further.

Mr. Cullis stated that a 1.79 acre wetland peninsula would have been impacted if Discovery built as planned. Over 17 acres of mitigation area was offered but City staff recommended denial. After reading the egregious report by City Staff, Discovery did not want to proceed in the negative environment. In response to Supervisor Davidson's question, Mr. Cullis confirmed that the report was generated by the Planning and Zoning Division. He explained that Discovery redesigned the project to stay out of the wetlands and met with the City; parking below the buildings would be required to avoid impacting the wetland area. Mr. Cullis reiterated that this change would be quite expensive.

- **ICI Homes Request for Letter of No Objection**

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

Mr. Cullis introduced Mr. Kevin Mays and Ms. Jean Ball, of ICI Homes (ICI).

Mr. Mays identified an area in North Park Village that is the final piece to be developed. He noted that the drainage on the lot was built to the City's standard and requirement to remove all of the water off of the lot and into the street in front. Mr. Mays stated that the drainage in a natural area ranging from 30' to 80', running across the final five homes, does not conform to the original design of the Master Storm Drainage Plan. He indicated that the properties were purchased with the intention of maintaining the natural area. The City was agreeable, if the District Engineer agreed that perpetuating a nonconformance worked. Mr. Mays requested permission to ask the District Engineer to perform an inspection and give acceptance that what ICI did and would continue perpetuating works fine. Once the District Engineer gives approval, the City will sign off. He stressed that the home was completed and the homeowner is prepared to move in but cannot until the matter is resolved.

Mr. Kloptosky recalled discussing this with Ms. Ball and reviewed it on the property appraiser website. He believed that the natural areas referenced by Mr. Mays were not CDD property.

Mr. Mays concurred that the natural areas were on private property. Mr. Kloptosky questioned involving the District Engineer in a private property matter. Mr. Cullis stated that CDD funds were used to build the infrastructure and the District Engineer reviewed those items. Mr. Cullis noted that the Architectural Review Board (ARB) was willing to review the area; however, it was not an ARB issue. In response to Supervisor Davidson's question, Mr. Mays indicated that the property address is 59 North Waterview. Discussion ensued regarding the location.

Supervisor Lawrence questioned why the City required the CDD's input, since the area of concern is not CDD property. Mr. Kloptosky reviewed ICI's interactions with the City. Ms. Ball explained that the City asked that all drainage go to the street; however, when the City realized that the natural area did not drain, as reflected on the Master Plan, the City did not issue a Certificate of Occupancy (CO). Ms. Ball noted that the City issued COs for all of the other homes in that area. In response to Mr. Wrathell's question, Mr. Mays explained that, for the natural area to drain as designed, it would require removing the entire natural area and regrading the land.

In response to a question, Mr. Cullis reiterated that the natural area was not CDD land; ICI was requesting input because the CDD constructed the improvements and the engineering, grading and plat plans were designed by the District Engineer.

It was noted that drainage remains in the natural areas and does not enter the pond.

Supervisor Smith had no objection to the District Engineer inspecting the area and, if appropriate, advising the City that the CDD did not object to ICI's drainage issue.

Mr. Wrathell felt that, provided the District Engineer was comfortable with the drainage issue, there would be no reason for the District to object and a Letter of No Objection (LONO) could be issued.

Supervisor Davidson questioned if signing off could place liability on the District if there was a hurricane and the property flooded. Mr. Wrathell stated that the only thing that the District cares about is how water flows into its system. Mr. Wrathell suggested that the LONO state that,

based on the certification of ICI's professional engineer that the drainage is sufficient for the private property, the District has no objection.

Mr. Wrathell will refer this matter to District Counsel for his opinion.

Mr. Chip Hunter, a resident, expressed support for Mr. Cullis' proposal regarding the CDD's purchase of the 9th Green site, which would provide options for the property. He discussed construction of the new condominiums. In response to Supervisor Smith's question, Mr. Hunter confirmed that his condominium association might be willing to help fund the land purchase.

Mr. Bob Olsen, a resident, stated that the Palm Coast Mayor referred to the land discussed by Mr. Cullis as an island or flagpole entrance and recommended that it be given to the CDD or the golf course; the Mayor felt that the property was worthless. Mr. Olsen agreed that the CDD needed the property but hoped that the District would not spend too much on it.

Mr. Wrathell recalled that the District performed work on a lake bank near Mr. Hunter's condominium and has not yet received payment. Mr. Hunter will confer with the association manager.

THIRD ORDER OF BUSINESS

UPDATES: Amenity Manager

Supervisor Davidson commented on the successful Memorial Day party. Mr. Ross indicated that 260 residents attended the party.

Mr. Ross advised that the tiki bar will open this weekend and be open on weekends; a short menu will be offered. Supervisor Gaeta informed Mr. Ross of a wireless site-to-site connection between The Village Center and Creekside, which would allow use of a point of sale (POS) system at the tiki bar.

FOURTH ORDER OF BUSINESS

UPDATES: Field/Operations Manager

Related to the Creekside pool resurfacing project, Mr. Kloptosky indicated that District Counsel prepared an amendment to the contract regarding final payment, which was submitted to Blue Ribbon Pools (Blue Ribbon) for review. In response to Supervisor Davidson's question, Mr. Kloptosky voiced his opinion that the pool surface appears the same; 75% was better but 25% remained unacceptable.

Regarding the Sailfish Drive project, Mr. Kloptosky reported that the contracts were revised and executed by S.E. Cline Construction, Inc. (Cline) and Supervisor Davidson. Cline will apply for permits.

Mr. Kloptosky advised that The Village Center pickleball courts were completed, with the exception of minor punch list items; landscaping around the perimeter was underway.

Supervisor Davidson suggested that Mr. Ross organize a celebration to promote the pickleball court opening. Mr. Ross agreed. Supervisor Gaeta recommended a ribbon cutting ceremony.

Regarding 55/57 Osprey Circle, Mr. Kloptosky noted that the stormwater drain project would be completed today. He indicated that he spoke to a homeowner about his list of demands and advised him of the Board's decisions. Mr. Kloptosky felt that the easement appearance was better than before the project. The homeowner had issues with trees and Mr. Kloptosky informed him that it was not his "arena". Mr. Kloptosky stated that the homeowner was not satisfied.

Supervisor Davidson recalled that the CDD planned to notify the GHMA or Architectural Design Committee (ADC) of the drainage repairs in the easements, leaving less area for trees and questioned if the letter was sent. Supervisor Davidson believed that the homeowner received a letter from the ADC indicating that he must install trees. Mr. Kloptosky confirmed that the homeowner received the letter. Supervisor Davidson stressed to Mr. Kloptosky that the District must intervene to stop the ADC's demand for trees. Mr. Kloptosky indicated that he did not prepare the letter and expressed his opinion that the District Manager should send the letter.

Debate ensued regarding who sent the letter to the homeowner and who should contact the ADC.

Supervisor Davidson summarized that the letter from the CDD to the GHMA should advise that the easement work was completed and no trees will be permitted in the easement.

Mr. Kloptosky indicated that The Crossings gate project was completed. He noted resident concerns about hitting the gates at night, as the gates were a darker color. Mr. Kloptosky responded that the Wild Oaks gates were the same color and were only hit once in ten years. The wattage of the adjacent streetlights was increased and changed to LED lights.

Mr. Kloptosky reported an issue at The Village Center pool, on Tuesday evening. He stated that a resident who was diving into the pool was asked to leave; the resident left and a no

trespass warning was issued. Mr. Kloptosky pointed out that, recently, the Board lifted a trespass notice against the resident.

Supervisor Davidson recalled that the District was to send a letter to the resident when the trespass notice was lifted but the letter was not sent. He felt that the District was remiss in following through with sending letters, promptly. Supervisor Davidson noted that the letter should have been sent the next day and should have been a formal warning that, if the resident did anything unacceptable, his amenity privileges would be suspended, which were the conditions for lifting the trespass notice.

Mr. Woodville voiced his understanding that the Amenity Manager was to prepare the letter; however, Mr. Kloptosky informed him that the District Manager or District Counsel should prepare it. Supervisor Davidson felt this was unacceptable. Mr. Wrathell indicated that, at the last meeting, the Board directed District Counsel to prepare the letter. Mr. Woodville added that he followed up and preparation of the letter was on District Counsel's list.

Supervisor Lawrence felt that, since the resident and his mother attended the last meeting and heard the Board's terms, the District could proceed with suspending the privileges by referencing the meeting. He supported an immediate suspension of privileges.

Supervisor Gaeta was in favor of rescinding the Board's prior decision to lift the trespass notice.

Mr. Wrathell agreed with Supervisor Lawrence that privileges could be suspended for one year, based on the terms set forth at the last meeting, and that District Counsel's letter should suspend the resident's privileges.

Supervisor Davidson noted that the specific policy should be researched. Mr. Wrathell felt that the Board was not required to follow the adopted policy regarding the duration of the suspension because this was a unique situation with extenuating circumstances.

Mr. Wrathell opined that the Board acted appropriately, at the meeting, based on the information available; however, there was unknown at that time. He urged the Board to not be overcritical of the decision.

Supervisor Davidson questioned if the Board could make a decision to suspend privileges during a workshop. Mr. Wrathell believed the decision was made, at the last meeting, and the resident's actions give the Board the ability to proceed.

Mr. Kloptosky indicated that he did not inform District Counsel of the situation.

Supervisor Davidson felt that District Counsel should be consulted, as suspension of privileges would also result in deactivating “their” gate access devices (GADs) and Smart Amenity Access Cards (SAACs). Mr. Wrathell questioned if the Board planned to suspend privileges on the entire property or the specific individual. Supervisor Gaeta had the same question. Supervisor Davidson clarified that the individual’s privileges would be suspended. Supervisor Lawrence felt that suspension of privileges should not involve deactivating the resident’s GAD. Supervisor Davidson argued that the GAD is an amenity privilege; therefore, it should be deactivated, as well.

Supervisor Smith asked if the infraction was diving into the pool. Mr. Ross replied affirmatively. Supervisor Smith asked if “no diving” was a provision of the Amenity Rules. Mr. Ross responded affirmatively and indicated that it is clearly posted.

Supervisor Gaeta asked if the resident left the pool when asked by Mr. Ross. Mr. Ross stated “Yes, he did.” Supervisor Gaeta asked if the resident entered the pool again. Mr. Ross stated that the resident later asked if he could use the pool and was told no.

Supervisor Davidson asked Mr. Ross if he felt this action was grounds for suspending all amenity privileges. Mr. Ross alleged that the resident is “a ringleader, in this community, for all the trouble”. Mr. Ross stated “I would like to see him get a year’s suspension.”. Supervisor Davidson stated “Done! That’s the recommendation.”.

Mr. Kloptosky questioned whether District Counsel should be consulted. Mr. Wrathell indicated that he would contact Mr. Clark following the workshop. Supervisor Davidson clarified that the Board’s action was subject to Mr. Clark’s input; Mr. Clark would draft the suspension letter and the resident’s SAAC would be deactivated. The Board stressed that the letter should be sent “ASAP”.

A \$5,100 proposal from Web WatchDogs Surveillance Camera Systems (Web WatchDogs) was distributed for informational purposes. The proposal was to change the high-definition cameras at the exit gates and, possibly, one additional camera, to cameras with higher resolution. Mr. Kloptosky stated that the project could be completed immediately, if funds were available, or cameras could be changed on an as-needed basis.

Mr. Kloptosky explained that, with better cameras, vehicles could move quicker through the gates; however, cameras would still capture license plate images. The Board supported the immediate purchase of new exit gate cameras.

Regarding the Creekside croquet court resurfacing project, Mr. Kloptosky advised that the court should open on Saturday, June 27, 2015. The opening was delayed due to an issue related to the City's reuse pond and supplies of water. He noted that the pond dries out each night and the pumps shut off. Mr. Kloptosky contacted the City and District Counsel sent a letter to the City. He explained that the croquet courts were not watered over the weekend because the pumps shut off and the City did not refill the pond timely enough, which caused sod damage. In response to Supervisor Lawrence's question regarding whether the sod would recover, Mr. Kloptosky indicated that he met with the contractor and, although this issue was not the contractor's fault, he is doing what he can to help and would replace sod that does not recover.

Mr. Ross noted that the issue impacted the tennis courts, as well. Mr. Kloptosky presented photographs of the courts.

Mr. Kloptosky advised that a City employee was not pleased that the District sent a letter. An email received from the City employee was distributed. Mr. Kloptosky detailed damage at the tennis and croquet courts and to sod, throughout the community. In response to Supervisor Davidson's question, Mr. Kloptosky stated that the golf course was not affected because it was watered the night before.

Mr. Kloptosky explained that the issue began over one year ago when the City's equipment was struck by lightning; the City repaired it once but the equipment burned out during a power surge. He noted that, since then, the City manually operated equipment to fill the pond. Mr. Kloptosky stated that the City employee's email explained how the City will resolve the situation and also notified the District that its water consumption exceeded its quota. He disagreed with the City's findings regarding the water quota.

Supervisor Davidson pointed out that the email referred to exceeding the quota during the prior week and noted that, during the last week and month, there could have been excess usage due to the croquet court. Mr. Kloptosky indicated that the croquet court was watered once each day, for one hour. Supervisor Davidson asked if the District had accurate records from the water meters. Mr. Kloptosky must check the meter reading for usage over the past six months and reiterated his disagreement with the City's findings.

Mr. Kloptosky discussed his difficulties dealing with the City and noted that the email will be forwarded to District Counsel.

Supervisor Lawrence recommended that Mr. Kloptosky document all excess costs related to this matter, including employee time, and the District should bill the City for those costs.

Supervisor Smith asked if field staff is salaried or paid hourly. Mr. Kloptosky indicated that his staff is salaried but paid overtime after hours or on weekends. Mr. Kloptosky noted that, many times, his employee did not include his overtime hours on his time sheet. Supervisor Smith pointed out that not reporting the work time was unacceptable; legally, the employee must report the overtime hours worked and the District cannot “take a blind eye to that”. Mr. Kloptosky expressed his understanding.

Ms. Higgins presented a revised proposal from Celera IT Services, Inc. (Celera). Mr. Kloptosky believed the original proposal was approximately \$1,100 per month for unlimited support and the revised proposal was slightly over \$1,000 per month.

Supervisor Gaeta wanted assurance that the POS system was separate from the public wireless network, as there was a major hacking issue. Ms. Higgins understood that Celera did nothing at all with the POS system. Mr. Kloptosky indicated that a firewall was in place and should still be in place. Ms. Higgins stated that Celera did not change the system. Supervisor Gaeta asked if the database software was updated. Ms. Higgins advised that Celera performs patch management. Mr. Kloptosky suggested that the Board Members review the proposal and submit their questions to the CDD office and staff will forward the questions to Celera.

Supervisor Davidson recalled that \$15,000 was budgeted for IT support in the proposed budget.

Supervisor Davidson asked Ms. Higgins if Celera was a very reliable and knowledgeable company, if she would endorse Celera and if they were familiar with the DoorKing Inc., interactions. Ms. Higgins replied affirmatively.

Supervisor Smith asked if any local companies could provide IT services. Mr. Kloptosky indicated that other companies were researched but staff felt that Celera was the most qualified. The Board agreed that District Counsel should review the contract.

▪ **District Policy Regarding Lifting Trespass Notices**

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

Supervisor Gaeta recalled that she attended the previous meeting via telephone and was unable to hear portions of the discussion related to lifting the trespass notice. She contended that the Board heard this item during Public Comments and, while the Board has discretion, it does

not generally render a decision in those situations. Supervisor Gaeta had concerns regarding the decision and spoke to District Counsel. She felt that the Trespass Policy should state the following:

1. If a trespass notice was issued and the person was instructed to attend a meeting, the attendance should be time and date certain, with District Counsel and law enforcement in attendance, if possible.

Supervisor Gaeta felt that the resident “arbitrarily showed up”.

2. All future decisions regarding trespass policies should be posted on a meeting agenda.

Supervisor Lawrence clarified that it was not a matter of the resident “just showed up”; there were discussions with the mother so the Board knew the resident would attend. Supervisor Gaeta argued that it was not date or time certain. Supervisor Lawrence recalled discussion that the resident would attend the next meeting. Supervisor Lawrence felt that, at the time, the Board made a valid decision.

Supervisor Chiodo believed that this particular incident did not merit a policy change; the Board acted in good faith.

Mr. Wrathell explained the circumstances related to the Board’s decision at the last meeting and that, although the trespass notice was lifted, it was stipulated that amenity privileges would be suspended if another incident occurred.

Supervisor Smith agreed with Supervisors Chiodo and Lawrence. He felt that the Board should have the flexibility to make a decision, if it chooses.

Supervisor Davidson suggested that, if the Board begins considering an item but any Board Member wants to consider the item at a later date and the majority of the Board agrees, the decision would be deferred to a future meeting.

Mr. Woodville indicated that he spoke to Sheriff Manfre regarding the Board’s decision to lift the trespass notice. Sheriff Manfre advised Mr. Woodville that, in the future, he would like the opportunity for law enforcement personnel who were involved in the incident to attend. Mr. Woodville explained that, normally, Sheriff Manfre’s first step would be to contact the resident’s school resource officer, whom he did, to determine if the student was “a problem”.

Mr. Wrathell urged caution, as the Board should consider these types of matters based on how the action specifically impacts the CDD. He advised against policing other aspects of a

resident's life that have nothing to do with the CDD; the Board should not go to the extreme of acting as a court, judge and jury.

FIFTH ORDER OF BUSINESS**DISCUSSION ITEMS****A. Revised Fiscal Year 2016 Proposed Budget**

Mr. Wrathell recalled a prior discussion about having the infrastructure reinvestment-related legal expenses included in the "Infrastructure reinvestment" section but, ultimately, the Board decided to keep all legal expenses with the "General Fund" expenditures. Mr. Wrathell felt that the proposed budget "Legal - general counsel" line item, on Page 2, would be properly budgeted in Fiscal Year 2016. Supervisor Davidson asked if the increase from \$68,900 to \$90,000 was a 30% increase or whether two line items were blended. Mr. Wrathell replied "yes, to a certain degree". Supervisor Davidson pointed out that, otherwise, it appeared to be a 30% increase. Supervisor Lawrence asked for the actual amount of the prior year "Legal - general counsel" expenses.

Supervisor Lawrence thought that, previously, all of District Counsel's fees were included in the "Legal - general counsel" line item. Mr. Wrathell stated that, in actuality, all legal expenses were previously included in the "Legal - general counsel" line item and not towards "Infrastructure reinvestment"; this was a concept that the Board discussed. Mr. Wrathell explained that the District budgeted \$68,900 for Fiscal Year 2015 but actual "Legal - general counsel" expenses are projected to be in the \$89,000 to \$90,000 range. Mr. Wrathell commented that legal fees are generated every time the Board asks District Counsel to perform work. Supervisor Davidson noted that this proposed budget line item reflected a 30% increase over the Fiscal Year 2015 budget, which created the potential for a 4% assessment increase; he asked that the "Legal - general counsel" line item be reduced to about \$80,000. Supervisor Lawrence questioned if District Counsel's services could be used less often and recommended discussing it with Mr. Clark. Supervisor Chiodo wanted Mr. Clark to provide a breakdown of the work that generates the most "Legal - general counsel" expenses, as he believed that the Board did not understand the monetary ramifications of the items it directs Mr. Clark to perform. Supervisor Gaeta pointed out that the Board implemented many policy changes, which required District Counsel's input. Supervisor Lawrence noted that Mr. Clark was often directed to send letters and speculated that the District Manager could perform those activities

Supervisor Davidson reiterated his desire to reduce the proposed budget line item to \$80,000 for “Legal - general counsel” for Fiscal Year 2016.

Mr. Wrathell recalled that litigation expenses were previously included in the “Legal - general counsel” expenses but probably should not be included in the calculation of estimated legal expenses because the costs were unique. The Board agreed that Mr. Wrathell should provide a separate breakdown of legal expenses. The Board agreed that budgeting \$80,000 for “Legal - general counsel” was reasonable. Mr. Wrathell discussed District Counsel’s invoicing and the unique items that he worked on for the District.

Mr. Wrathell reviewed the adjustments to the remaining expenditures, noting that “Engineering” was reduced from \$40,000 to \$18,000 and “IT support” was increased from \$6,000 to \$15,000. Supervisor Davidson asked if the \$1,250 “Contingencies” line item was necessary. Mr. Wrathell agreed with removing the \$1,250 “Contingencies” line item.

Supervisor Davidson pointed out that the “Horticultural consultant” line item, on Page 3, increased from \$4,800 to \$7,000, as the Horticulturalist will perform additional work during Fiscal Year 2016. Supervisor Gaeta referred to the increase in the “Amenity Management” line item, on Page 3, and asked if the increase was included in the contact with AMG. Mr. Wrathell replied affirmatively.

Mr. Wrathell advised that, on Page 4, a \$17,225 “Additional guards” line item was added to the proposed budget.

Supervisor Gaeta questioned why the “Community maintenance” line item, on Page 4, increased from \$50,000 to \$75,000. Mr. Wrathell indicated that the increase was to reflect what was spent and noted that, through March 2015, \$44,000 was already spent. Supervisor Davidson observed that this would be a 50% increase and asked to reduce the increase. Mr. Wrathell agreed to reduce the budgeted amount but stressed that, with the amount currently being spent on “Community maintenance”, the District would exceed budget. Mr. Kloptosky contended that much of the “Community maintenance” expenditures were related to road repair items that were not typical. Supervisor Davidson asked why those expenses were not coded as road repairs, as the District has reserve funds for road repairs. Mr. Kloptosky explained that the costs were coded to “Community maintenance” because they were for repair work and not road resurfacing. Supervisor Lawrence felt that “Capital” funds were for improvements and not repairs. Mr. Wrathell expressed his opinion that, when reserves are set aside for roads, it is a capital

component. Supervisor Davidson recommended creating a subcategory of “Community maintenance” entitled “Road repairs” and budgeting \$60,000 for “Community maintenance” and \$15,000 for “Road repairs” so it does not appear that the “Community maintenance” line item was increased 50%. Supervisor Smith felt that the District’s budget was already detailed with many line items. Supervisor Smith cautioned against trying to “skinny down” the “Community maintenance” line item and pointed out that the community was 15 years old; therefore, the “Community maintenance” expenses would continually increase. Mr. Wrathell concurred with Mr. Smith.

Supervisor Davidson was concerned about how residents would react to a 50% increase in the “Community maintenance” line item.

Supervisor Lawrence noted that \$44,000 was spent, through March, 2015 but expenditures of only \$5,000 were projected for the remainder of the fiscal year; he speculated that the \$5,000 figure was an understatement of what the District would actually spend during the remainder of Fiscal Year 2015. He asked Mr. Kloptosky if, realistically, the District would only spend \$5,000 more.

Mr. Kloptosky felt that more than \$5,000 was probably already spent. In response to a comment, Mr. Wrathell stated that the \$5,000 figure was a “forced” amount because “Amenity maintenance” was so far under, in relation to the expenditures. Mr. Wrathell indicated that the projected “Community maintenance” expenditures for the remainder of Fiscal Year 2015 could be adjusted.

Supervisor Chiodo believed that the “Amenity maintenance” line item was under budget and the District should do a better job projecting “Community maintenance” and “Amenity maintenance”. Supervisor Lawrence recommended that Mr. Kloptosky evaluate expenditures and determine realistic budget projections.

Mr. Kloptosky reiterated that a lot of “Community maintenance” expenditures were related to road repairs, which increased expenditures but had not, in prior years. He voiced his opinion that items such as road repairs would continue, in future years, which led to the proposed budget increase. Regarding the “Amenity maintenance” line item, Mr. Kloptosky commented that it was unusual to be under budget and numerous projects could still be completed during Fiscal Year 2015; however, recent focus was on capital projects. He believed that the amount budgeted for “Amenity maintenance” was not unrealistic.

Mr. Wrathell voiced his opinion that reducing the proposed budget amounts for the “Community maintenance” and “Amenity maintenance” line items was not realistic. He felt that the amounts were realistic and preferred to include a cushion rather than creating a budget that could not accommodate something unexpected. Mr. Wrathell believed that the District’s budget did not provide much cushion, considering all of the expenditures faced with an aging community. He understood the Board’s desire to reduce assessments but recommended adjusting the \$34,219 “Miscellaneous contingency” line item, on Page 4, rather than reducing the “Community maintenance” and “Amenity maintenance” line items.

Mr. Wrathell was agreeable to adjusting projected expenditure amounts upward for the balance of Fiscal Year 2015 and reducing the “Miscellaneous contingency” line item amount.

Supervisor Davidson calculated that reducing the proposed budget “Legal – general counsel” and the “Miscellaneous contingency” line items by \$10,000 each would reduce the proposed assessment amount by \$10 per unit.

Mr. Wrathell recommended against adding a “Road repairs” line item under “Community maintenance”, on Page 4. The Board agreed.

Supervisor Gaeta questioned what the “Miscellaneous” item, under “Revenues”, on Page 1, was related to. Mr. Wrathell indicated that it related to interest income or other proceeds.

Discussion ensued regarding the “Mileage reimb: operations manager” line item and subsequent line items related to mileage reimbursement. Mr. Wrathell explained the benefit of a car allowance and including it with payroll and recommended that, if the District’s mileage reimbursements were not through payroll, the description on Page 10 should not change.

Regarding the final \$96.67 proposed assessment increase amount, per unit, on Page 17, Supervisor Davidson confirmed that reducing the proposed budget “Legal – general counsel” and the “Miscellaneous contingency” line items by \$10,000 each, reduced the proposed assessment amount by \$10 per unit and brought the final proposed assessment increase amount, per unit, to \$86.67. This equated to an increase of 3.9% instead of the proposed 4.3% assessment increase for Fiscal Year 2016.

Supervisor Smith referred to the “General infrastructure replacement/repair” line item, on Page 4, and noted that the last capital projects list was not complete and did not contain a contingency amount; therefore, he felt that the \$590,969 amount might be unrealistic.

Mr. Wrathell indicated that he and Supervisor Lawrence derived the \$590,969 amount based on what was thought to be a reasonable increase in “Infrastructure reinvestment” and worked backwards from that point, along with the amount to be set aside for the road reserve. Supervisor Lawrence recalled that, in addition to the \$590,969 amount, approximately \$240,000 from “Revenues” would be budgeted to the road reserve. Supervisor Lawrence explained that the prior \$590,000 capital projects list amount included \$277,000 for roads so, when roads were removed, the Fiscal Year 2016 project amount was \$350,000, which left the District with nearly \$240,000 to spend for capital projects, above the projects previously identified in the long-range Capital Improvement Plan (CIP).

Supervisor Smith asked how much was spent in Fiscal Year 2015, not including roads. Supervisor Lawrence reviewed the capital project expenditures for prior fiscal years and noted that, to date, the District approved capital projects totaling \$593,000; another \$100,000 was approved for capital projects approved during Fiscal Year 2014. In response to Supervisor Smith’s question, Supervisor Lawrence confirmed that he was comfortable with the proposed budget amount.

B. Capital Plan

Supervisor Lawrence recalled discussion, five years ago, about the bocce ball court but the District did nothing; however, since then, the District renovated the tennis courts and built pickleball and petanque courts. He voiced his opinion that the bocce ball court be a priority.

In response to Supervisor Gaeta’s question, Mr. Ross confirmed that the shuffleboard courts are used frequently. Mr. Kloptosky stated that he obtained preliminary quotes to renovate the bocce ball and shuffleboard courts; however, he must collect more data because the scope of work changed.

Supervisor Lawrence believed that the shuffleboard courts were not being used and could be eliminated from the CIP projects list. Mr. Ross indicated that the shuffleboard courts are not used frequently during the winter months but use increases in the summer. In response to Supervisor Davidson’s question, Supervisor Lawrence voiced his opinion that the bocce ball courts should be completed during Fiscal Year 2015, since funds were available.

Mr. Kloptosky noted that he must update the CIP projects list to reflect the completed projects.

******The workshop recessed at 11:52 a.m.******

****The workshop reconvened at 12:06 p.m.****

C. CDD Business Plan

Supervisor Smith recalled that, in 2011, the Board identified approximately ten goals and would commence the process of reevaluating those goals.

Supervisor Smith reviewed a handout distributed at the beginning of the meeting, which contained a list of ten objectives, identified in 2011, in priority order. The main criteria used to determine the priorities were importance to residents and positive impact to the community.

Supervisor Smith asked the corresponding Lead Coordinator Board Member of each priority item to speak about the priority and what was accomplished:

1. Communications: Internal/External

Supervisor Davidson stated that e-blasts are successful and the District works with the CDD and AMG e-blast systems. With the exception of an occasional delay, e-blasts are timely. He indicated that CDD information is also included in the Oak Tree publication.

Regarding the second Strategy item, Supervisor Davidson felt that this item was no longer an issue, as vendors are now willing to work with the CDD.

2. Preserve and Protect CDD Assets

Supervisor Lawrence indicated that the first Measurable Output item was accomplished by creating a ten-year infrastructure renewal plan or CIP and the Board manages approval of the CIP projects to remain within budget. He suggested updating the plan.

3. Delivering Amenity Services Model

Supervisor Chiodo indicated that this involved developing a mechanism to gauge resident satisfaction. He explained that, five years ago, there appeared to be discontent in the community regarding the amenities and whether the amenities met resident needs. Supervisor Chiodo believed that the discontent no longer exists and that, generally, residents were satisfied with the amenities. He felt that the level of importance of this priority item dropped but should remain a priority, if needed.

4. Internal/Amenity Security Systems

Supervisor Gaeta expressed her opinion that the goals of this item were achieved; the District, through its relational database, has the ability to track amenity usage, resident and renter status and GADs. Previous owner and rental files were updated and are current. She noted that

information obtained through upgrading the software, cameras, DVRs, etc., was helpful. Supervisor Gaeta concluded that the District is proceeding in the right direction.

Supervisor Davidson advised that a new resident moves into the community every 1.65 days and pointed out the benefit of the relational database in registering new residents and deactivating the GADs and SAACs of former residents.

Supervisor Gaeta pointed out that the database allows the District to track trespassers and those that lose amenity privileges.

5. No Special Assessments

Supervisor Chiodo stated that no special assessments were imposed; therefore, the goal was achieved. Supervisor Smith felt that the District should proceed with development of a five-year financial plan.

6. Outside Funding

Supervisor Davidson indicated that most funding sources disappeared; however, the District successfully obtained outside labor and organizations, which saved a lot of money. He noted the vine removal and fire mitigation work performed in conjunction with the Florida Forest Service (FFS). Supervisor Davidson advised that the District continues seeking opportunities but grants and other sources are limited.

7. Safety and Security

Supervisor Smith noted that this item was not assigned. Supervisor Gaeta stated that this priority was rolled into the fourth priority item, as both were related. She was unsure if this item was relevant. Supervisor Smith pointed out that it must be redefined.

8. Political Capital

It was noted that the District used its political capital to convince the City Council to change its opinion on water bills and parking on the streets.

Discussion ensued regarding permitting and other issues with the City. Supervisor Smith suggested that, if the item remained a priority, the Board should discuss how to implement the District's political capital.

Supervisor Smith indicated that each Board Member compiled sets of objectives based on importance to residents and potential improvement, progress or positive impact and then prioritized the objectives in each set.

Supervisor Davidson discussed his five-year objectives and rankings, as follows:

Ranked by importance to residents

1. Symposium on street trees and sidewalks
2. Safety and security
3. Maintain and improve CDD assets
4. Fiscal responsibility

It was noted that this item could include the “No special assessments” item. The Board agreed to merge those objectives and define “Fiscal responsibility” and the goal.

5. No Special Assessments
6. Communications
7. Delivering amenity services model
8. Building sense of community

Supervisor Davidson noted that residents of the community changed, over time. He felt that the District should try to build or create a sense of community, similar to the District’s early years.

Supervisor Lawrence felt that the community had grown to a size where it would not be possible to achieve the same sense of community. He suggested that the District work to build a sense of pride in the community.

9. Enhancing community reputation (property values)
10. Utilizing political capital

Ranked by potential improvement, progress or positive impact

1. Maintain and improve CDD assets
2. No special assessments
3. Build and maintain adequate reserves
4. Street tree and sidewalk maintenance
5. Safety and security
6. Communications
7. Delivering amenity services model
8. Staff and employee planning
9. Utilizing political capital
10. Outside funding

Supervisor Chiodo's five-year objectives and rankings, as follows, were all items that the Board previously discussed:

Ranked by importance to residents

1. Maintain and improve CDD assets
2. Safety and security
3. No special assessments
4. Communication: internal and external
5. Internal and amenity security systems
6. Political capital
7. Delivering amenity service model
8. Outside funding for CDD requirements

Ranked by potential improvement, progress or positive impact

1. Maintain and improve CDD assets
2. Safety and security
3. No special assessments
4. Communication: internal and external
5. Internal and amenity security systems
6. Political capital
7. Delivering amenity service model
8. Outside funding for CDD requirements

Supervisor Lawrence discussed his five-year objectives and rankings, as follows:

Ranked by importance to residents

1. Safety and security
2. Maintain and improve CDD assets
3. No special assessments
4. Communication: internal and external
5. Delivering amenity service model
6. Political capital
7. Outside funding for CDD requirements
8. Maintain adequate reserves

Supervisor Lawrence stated that this item was related to avoiding special assessments.

Regarding fiscal responsibility and maintaining low assessments, Mr. Wrathell indicated that, by evaluating the Fiscal Year 2015 budget in the context of increases, some increases were designed to proactively build reserve funds so the District could avoid borrowing money. He explained that the District is building reserves, which might increase today's assessments to build cash for the future.

- 9. CDD Board unity
- 10. Staff and employee planning

Ranked by potential improvement, progress or positive impact

- 1. Delivering amenity service model
- 2. Political capital
- 3. Safety and security
- 4. Communication: internal and external
- 5. Maintain and improve CDD assets
- 6. No special assessments
- 7. Outside funding for CDD requirements
- 8. Maintain adequate reserves
- 9. Staff and employee planning
- 10. CDD Board unity

Supervisor Gaeta discussed her five-year objectives and rankings, as follows:

Ranked by importance to residents

- 1. Maintain and improve CDD assets
- 2. Safety and security
- 3. Communication: internal and external
- 4. CDD Board unity – staff employee
- 5. Build adequate reserves
- 6. Political capital
- 7. No special assessments

Ranked by potential improvement, progress or positive impact

- 1. Safety and security
- 2. Maintain CDD assets
- 3. Board unity

- 4. Communication: internal and external
- 5. No special assessments

Supervisor Smith discussed his five-year objectives and rankings, as follows:

Ranked by importance to residents

- 1. Maintain and improve CDD assets
- 2. Plan for tree management

Supervisor Davidson questioned if Supervisor Smith would include sidewalks in this objective. Supervisor Smith replied affirmatively.

Supervisor Lawrence asked if this objective included tree management throughout the community or only on CDD property. Supervisor Smith thought it was a relevant discussion that the Board should have. Supervisor Davidson agreed with Supervisor Smith and noted that the Board should have received information about a proposed symposium involving the “global community”.

Supervisor Davidson indicated that responsibility and the effect of trees in the community go to the CDD, the GHMA and the private sector. He felt that the Board must consider the best way to address this, which could involve structural and legal changes.

Supervisor Gaeta pointed out that there would be a financial consequence to this objective.

Supervisor Chiodo noted that property values were impacted by the street trees and, if the District removed the trees or installed a mix of trees, it would decrease property values in the community. He believed that the impact on property values was a critical element of this objective.

Supervisor Lawrence stated that Mr. Wrathell reminded him that the CDD cannot go beyond its scope or improve private property with public funds.

- 3. Safety and security - perimeter, gate and walkways
- 4. No special assessments
- 5. Communication: internal and external
- 6. Delivering amenity service model

Ranked by potential improvement, progress or positive impact

- 1. Plan for tree management
- 2. Maintain and improve CDD assets

3. Delivering amenity service model
4. Communication: internal and external
5. Safety and security - perimeter, gate and walkways
6. No special assessments

Supervisor Smith reviewed a compilation of the Board Members' five-year objectives rankings based on importance to residents. He felt that the Board was fairly focused on the same high priority items, slightly diverged on the middle ranked items and spread out on the lower ranked priorities.

Supervisor Smith presented a compilation of the Board Members' five-year objectives rankings based on potential improvement, progress and positive impact. He noted that these rankings were more scattered, which meant that the Board did not agree on what would result in the greatest impact.

For future discussion, Supervisor Smith directed the Board to use the same form and reevaluate their objectives and rankings, based on today's conversation. At a future meeting, the Board will determine the CDD's priorities.

Supervisor Gaeta questioned what perspective Supervisor Smith wanted the Board to use. Supervisor Smith recommended that the Board Members consider what is important to them, as residents, followed by determining the "biggest lever".

Supervisor Davidson pointed out that he and Supervisor Chiodo would miss the next meeting and offered to send his input, if necessary. Supervisor Smith felt that there was no rush; there should be several discussions on this matter.

Supervisor Smith directed the Board Members to return their completed forms within two weeks of receipt and, if it is not discussed during the June or July meetings or workshop, the information will be communicated for everyone's review and consideration. He preferred that the entire Board be present for the discussions.

- **Evening Workshops/Community Information Sessions**

This item was not discussed.

D. Revised Storm Water Right-of-Way Utility Easements Policy and Agreement Options

Supervisor Davidson referred to the draft "Grand Haven Community Development District Policy for Storm Water Right-of-Way Utility Easements" and asked for the correct

acronyms for each Architectural Design Committee (ADC). Dr. Rob Carlton, a resident, advised that the Modification ADC is “MADC” and the New Construction ADC is “NCADC”.

Supervisor Davidson identified the following change:

Third Bullet Point: Change “Grand Haven Master Association Design Committee (GH MADC)” to “Grand Haven Master Association’s New Construction ADC (GH NCADC) or Modification ADC (MADC), as is appropriate,”

First Paragraph, Under Third Bullet Point: Change “NADC” to “NCADC”

Regarding the “Policy for Removal of Existing Utility Easement Obstructions”, Supervisor Lawrence expressed his opinion that the District’s policy should be to take action when a failure occurs. He was not in favor of “guessing” which trees or obstructions could cause a failure. Supervisor Lawrence supported his position, stating that, on the Osprey project, none of the cracks in the pipes were caused by tree roots. He suggested that, once a pipe issue occurs, the District should repair the pipe using a sleeve, as opposed to digging and replacing pipes, again.

Supervisor Davidson agreed that the sleeve method should be considered; however, he was not comfortable with the concept of “neglecting” an issue until an expensive situation arose. Supervisor Davidson felt that, if areas of serious potential issues could be identified, the District should consider having the pipes videoed to determine threats. He supported an additional review of certain areas before simply “kissing it off and waiting for something to collapse”.

Supervisor Lawrence was agreeable to Supervisor Davidson’s recommendation.

Supervisor Gaeta referred to the first sentence of the policy and contended that, while the District Horticulturalist inspected the easements and rendered an opinion, she does not have an engineering degree. Supervisor Gaeta recommended the following change:

First Sentence: Insert “, together with the FOM and/or District Engineer,” after “Horticulturalist”

Mr. Kloptosky expressed concern that the District Horticulturalist is not an engineer. He stated that her report contained detail that he believed was incorrect, regarding the pipes.

Mr. Wrathell recommended the following change:

First Sentence: Change “District Representative” to “Staff and Representatives”

Supervisor Gaeta felt that the policy implied that pipe damage occurred due to the weight of tree mass, intrusive root growth and other reasons and asked if Mr. Kloptosky found that

statement to be true. Mr. Kloptosky stated that, in seven years, no incidents of pipe damage due to tree root infiltration or weight of a tree occurred; he questioned if those factors were “as crucial” as was implied. Mr. Kloptosky indicated that a Cline representative agreed and advised that issues are usually related to pipe failure and not trees.

In response to Supervisor Lawrence’s question, Mr. Kloptosky explained that a depression in the lawn is usually the first sign of a pipe issue. Supervisor Lawrence believed that the District should only address potential pipe issues when a depression occurs and voiced his opinion that acting on the information in the District Horticulturalist’s report was “probably not the smartest thing we could do”.

Mr. Kloptosky stated that, historically, issues were addressed as they arose. Regarding being proactive, Supervisor Lawrence believed that it was not worth the expense to video all of the District’s pipes. Mr. Kloptosky speculated that heavy equipment during construction might have caused damage and not trees. Supervisor Lawrence reiterated his position to take no action until a depression appears.

Supervisor Gaeta noted that the District Horticulturalist’s report identified a few red flag areas and recommended observing those areas.

Mr. Kloptosky recalled that the report mentioned areas where the pipes could not be found and contended that he and his staff were able to easily locate those pipes.

Supervisor Smith requested verification of the concept that a tree could damage pipes that were 6’ to 8’ underground. Mr. Kloptosky commented that trees have sprawling root systems and questioned whether a large tree could crush an underground pipe. Supervisor Smith felt that the pipe issue was an engineering matter and not a horticultural matter.

Supervisor Davidson recommended striking the entire section or using generic terms.

Supervisor Chiodo believed that, for new construction, the District should not allow trees and other plants to be installed in easement areas. Additionally, he felt that a tree in an easement was not sufficient evidence to take action, without confirmation from the District Engineer.

Supervisor Davidson suggested striking the entire “Policy for Removal of Existing Utility Easement Obstructions”.

Supervisor Davidson pointed out that the District Manager’s office address must be updated on both Obstruction Removal Agreements.

- **(Proposed) Community Symposium Regarding Live Oak Street Trees and/or Sidewalks**

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

Supervisor Davidson gave a PowerPoint presentation, providing a brief history of a symposium regarding ponds, held several years ago, and the reason for the symposium.

Supervisor Davidson voiced his opinion that the tree symposium should be a publicly noticed combined “community” all-day symposium of groups impacted by the issue, including the CDD, GHMA, etc.

Supervisor Davidson identified documents that provided a historical perspective of the District. He noted that the District was to have hardwood trees that would develop into a canopy. Supervisor Davidson discussed the obligation to bondholders, through 2019, landscape design goals and plans and suggested panel invitees, including Mr. Bob Dickinson, the original landscape architect, and Mr. Cullis.

Supervisor Davidson discussed the current benefits, including a beautiful, unique community grand entrance and central roadway, shaded central artery walkways for pedestrians, dog walkers, bicyclists and increased property values. Supervisor Chiodo suggested that shade from the trees resulted in lower utility costs and should be included as a benefit. Discussion ensued regarding other benefits. Supervisor Davidson asked the Board Members to email their recommendations to the District Manager’s office for dissemination.

The current burdens included tree trimming to standards for large truck passage, road signage visibility and street light effectiveness, leaf drop twice per year, growth overwhelming smaller trees and shrubs, turf threats from roots and weight to storm water utility inlets, pipes, mitered end sections, common area buried electric, cable and phone utility lines, residential main drains, utility lines, irrigation lines, foundations, raised sidewalks, curbs and roadways.

Supervisor Davidson discussed the possible solutions to the identified burdens, including repairing with continued maintenance, structurally pruning and trimming trees, cutting roots, root ball banding and grinding sidewalks. A possible replacement solution included removing and replacing live oaks. He discussed the Seven Oaks CDD’s oak tree replacement plan. Supervisor Lawrence felt that a very small percentage of residents had issues with the oak trees and questioned whether the Board was overreacting. Supervisor Davidson voiced his opinion that the Board was not overacting because oak trees in common areas have roots that intrude on curbs and are close to entering the streets.

Supervisor Lawrence recalled speaking with another CDD with similar street trees; the CDD advised him that issues occasionally arose and were repaired but, overall, the issues were de minimis. He cautioned against implying that the oak trees would cause “wholesale chaos” to streets or curbs.

Supervisor Davidson discussed other solutions, such as removing lifted sidewalks and replacing them with "floating, flexible sidewalks" or concrete reinforced walkways. Regarding the leaf drops, the District could require all landscape maintenance contractors to pick up and remove leaves. He suggested that the panel invitees include University of Florida Institute of Food and Agricultural Sciences (UF IFAS) experts, arborists, landscape architects, urban planners, a Seven Oaks CDD representative, Mr. Kloptosky, Mr. Jason Shaw, Ms. Louise Leister, Mr. Jay Sampelle, the District Engineer and Austin Outdoor (Austin) representative, Mr. Bill Butler.

Supervisor Davidson discussed the legal considerations for the CDD, GHMA, ADCs and private properties, including current responsibilities, current CC&Rs, process to amend or change CC&Rs, and working with the City of Palm Coast landscape architect, urban forester, arborists and code enforcement. The consequence of the CDD taking responsibility for trees and/or sidewalks was another legal consideration. He suggested that the panel invitees include the GHMA and ADC Boards, the CDD, the GHMA attorneys and Mr. Bill Butler, Ms. Carole Bennett, Ms. Barbara Grossman, Mr. Ray Tyner, etc., from the City of Palm Coast.

Supervisor Davidson discussed liability considerations, such as the current liability exposure to the CDD, GHMA and private property owners, and the consequences of the CDD assuming responsibility for trees and/or sidewalks. He suggested that the panel invitees include the CDD and GHMA District and Property Managers, insurance representatives, attorneys, etc.

Supervisor Lawrence felt that a realtor should be included on the panel to discuss home values and the impact on values if oak trees were removed.

Supervisor Davidson noted the financial considerations for the CDD, GHMA and private properties, such as their current responsibilities, budgets and assessments, the consequences of the CDD taking responsibility for trees and/or sidewalks and the impact on budgets and assessments. He suggested that the panel invitees include the District Manager, GHMA Property Manager, a Seven Oaks CDD representative and the CDD and GHMA Boards.

Supervisor Davidson stressed the importance of thoroughly investigating the situation and issues.

Dr. Carlton felt that a symposium was a wonderful idea and agreed that the tree issues must be investigated. He noted that a lot of “misinformation” was circulating and a symposium could provide factual information. Dr. Carlton believed that the GHMA Board would support this and be willing to participate.

Supervisor Smith supported the program but suggested that the term “symposium” be changed to “community”. He pointed out that further research must be conducted prior to assembling a panel of experts; the Board must understand the matter well enough to direct a community meeting.

Supervisor Chiodo was in favor of the program. He felt that it would be a large undertaking and must be completed in phases.

Supervisor Lawrence had reservations about the program. He thought it was the “right way to go” but the District would be taking action when only a small percentage of the community was concerned. Supervisor Lawrence had questions about the program. He stated that all trees would eventually disrupt sidewalks and curbs; therefore, the District probably could not install any trees without causing an issue. Supervisor Lawrence discussed a Maryland community with 100’ tall trees that disrupted the sidewalks but the issue was not corrected. He questioned whether, legally, the District or property owners were truly liable or if it was a “walker beware” situation. Supervisor Lawrence wanted to know the legal liability and responsibility of the CDD and property owners if the sidewalks were not repaired. He felt that the District should conduct further research before publicizing the program.

Debate ensued regarding whether the CDD should become involved in this matter. Supervisor Lawrence felt that District Counsel would advise that public funds could not be used to address oak tree issues on private property. Supervisor Davidson stated that the District could do so if the property owner deeded their sidewalks and street oak tree portions of the property to the District.

Supervisor Gaeta agreed that the tree program was important. She believed that communication was key and that, once educated about it, residents would be more understanding of the tree situation.

Supervisor Davidson asked the Board Members to forward their recommendations to the District Manager's office. He stressed that this was a proposed item; much must be done prior to proceeding.

- **PCI DSS COMPLIANCE**

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

Supervisor Gaeta indicated that all credit card companies are converting their credit cards to include an encrypted chip. She advised that, effective October 1, 2015, a new federal regulation will require any group or establishment accepting credit cards to have necessary devices in place to process the encrypted chip technology under the Payment Card Industry Data Security Standards. Supervisor Gaeta noted that swipe card systems are not capable of processing cards with chip technology. The regulation is called Europay, Master Card, Visa (EMV), although other credit cards will fall under this ruling, too; the system is better known in the industry as "chip and pin". The application uses "Bluetooth" technology and runs on a separate device which must be integrated into the current Point of Sale (POS) systems, if possible and, if the current equipment is not compatible, the District must budget to replace all of the POS systems.

Regarding liability, Supervisor Gaeta advised that, if the current POS system is not compliant, and a credit card is hacked, the liability would be on the merchant, not the user, which could severely impact the CDD, as the owner of the equipment.

Mr. Woodville advised that Mr. Roy Deary, of AMG/Vesta, was evaluating the current equipment. Supervisor Gaeta reiterated the new criteria and her liability concerns. Mr. Woodville confirmed that Mr. Deary would perform a full review and report the findings. Mr. Woodville noted that it might be necessary to involve Celera.

- **Purchase of 9th Green Property**

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

Supervisor Lawrence recalled discussion regarding whether the CDD should proceed with purchasing the 9th Green property. He noted that it appeared that the condominium association might be willing to contribute \$12,000 towards the purchase, since a change would require the District to pay \$12,000 more than the Board authorized.

This matter will be deferred until Supervisor Chiodo returns and can discuss it with Mr. Cullis.

- **Field Operations Manager Incident**

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

Mr. Kloptosky referred to a confrontational incident, on May 28, 2015, involving himself and a resident. He stated that he tried to remove himself from the situation but described the incident as “almost an assault”. Mr. Kloptosky felt that the resident’s behavior was unacceptable and asked the Board to consider what could be done.

Mr. Kloptosky stated that a CDD employee witnessed the incident and provided a written synopsis of exactly what occurred, “regardless of what this other individual has to say in their email”.

Supervisor Davidson indicated that the District has Rules of Conduct governing resident actions towards staff.

Mr. Kloptosky felt that he was within his right to contact law enforcement and file a complaint against the resident but did not. He alleged that “when I’m trying to get away from an individual and they are coming after me with their fists clenched and I get in my truck and lock the door and they are pounding my window trying to get me to open my door that is unacceptable, unacceptable”.

Supervisor Lawrence noted that, in his five plus years and Mr. Kloptosky’s seven years as Field Operations Manager, this was the first such incident, which led him to believe that his type of situation was not covered in the CDD rules. Supervisor Lawrence felt that, unless otherwise advised by District Counsel, Mr. Kloptosky should involve the sheriff.

In response to a question, Mr. Kloptosky confirmed that he provided the information to District Counsel but did not speak to him about the incident.

Supervisor Lawrence asked if only Mr. Kloptosky, Mr. Kilpatrick and the resident were present when the incident occurred. Mr. Kloptosky replied affirmatively. Supervisor Lawrence voiced his impression that an activity was about to commence. Mr. Kloptosky stated that he was present to take photographs of the Firewise work being completed; the resident came out and approached him. Mr. Kloptosky contended that there was a history over eight months to one year and that the resident was angry; it was a “long involved story”. Mr. Kloptosky stated that he spoke to the resident when the project first came up and found the resident to be “all over the place” but able to narrow the issues to four. Mr. Kloptosky advised the resident that he would

review the issues; the resident threatened to involve St. John’s River Water Management District (SJRWMD) and Mr. Kloptosky asked him not to.

Supervisor Davidson stated that the Board’s concern was whether disciplinary rules regarding conduct existed or if the existing rules only related to the amenities and amenity staff. Mr. Wrathell recommended that Mr. Kloptosky speak to District Counsel. It was noted that, if this scenario is an assault-related matter, it might be necessary for Mr. Kloptosky to file a civil complaint with the sheriff.

Mr. Kloptosky stated that he was conflicted about filing a complaint with the sheriff.

E. Unfinished Business

i. Sailfish Drive Project

- **Commencement**

This item was discussed during the Fourth Order of Business.

ii. Croquet Court Renovation

- **Update**

This item was discussed during the Fourth Order of Business.

iii. 34 Eastlake Addition of Streetlight

Supervisor Gaeta indicated that the Board previously decided not to install an additional streetlight. Mr. Woodville questioned if the resident was notified of the Board’s decision. Mr. Kloptosky felt that a letter to the resident should come from the District Manager.

This item should be removed from future agendas.

SIXTH ORDER OF BUSINESS

UPDATES: District Manager

- **UPCOMING WORKSHOP/MEETING DATES**
 - **BOARD OF SUPERVISORS REGULAR MEETING**
 - **June 18, 2015 at 10:00 A.M.**
 - **COMMUNITY WORKSHOP**
 - **July 2, 2015 at 10:00 A.M.**

The next meeting will be on June 18, 2015 at 10:00 a.m., at this location.

The next workshop will be on July 2, 2015 at 10:00 a.m., at this location.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

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

NINTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the workshop adjourned.

**On MOTION by Supervisor Gaeta and seconded by
Supervisor Chiodo, the workshop adjourned at 2:14 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Secretary/Assistant Secretary

Chair/Vice Chair