

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

A Regular Meeting and Public Hearing of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, June 16, 2016** in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137** at **10:00 a.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
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Jim Sullivan	District Engineer
Barry Kloptosky	Field Operations Manager
Roy Deary (<i>via telephone</i>)	Vesta/AMG
Charlie _____	Vesta/AMG
Louise Leister	District Horticulturalist
Ashley Higgins	Grand Haven CDD Office
Jim Gallo	Resident
Rob Carlton	Resident, GHMA President
Vic Natiello	Resident
Morgan Evans	Resident
Bob Hopkins	Resident
Susan Stanco	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. McGaffney called the meeting to order at 10:04 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

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

Mr. Morgan Evans, a resident, asked about the status of stocking fish, if another oxygen reading was taken and what could be done about grass clippings in the ponds. Ms. Louise Leister, District Horticulturalist, stated that the areas were private property; therefore, it was a homeowner matter. Mr. Evans asked if the District could “put up something” about the grass clippings. Regarding stocking fish, Mr. Kloptosky stated that two types of fish would be stocked in Ponds 1 and 2; one type of fish would be stocked within two weeks and the other type would be stocked near the end of July. Mr. Kloptosky was not sure if the oxygen levels were tested. Supervisor Davidson indicated that the District passed a Rule stating that any Yellowstone Landscape (Yellowstone) employee that blows leaves and clippings into the stormwater drains or ponds would be dismissed from their job. The District cannot interfere with landscape contractors working for private homeowners. Publishing a notice in the Oak Tree and distributing a flyer, in English and Spanish, to landscape contractors as they enter the community were suggested. Ms. Leister and Mr. Kloptosky will prepare the statement for distribution to vendors at the front gate.

Mr. Jim Gallo, a resident, recalled discussion about tax certificate sales or payments of past due assessments by Escalante Golf (Escalante) and the Vista Par Condominium project. Supervisor Davidson spoke to the Tax Collector’s office; the Vista Par Condominium tax certificates, for two years, and the Escalante tax certificate, were purchased by investment banking firms. Mr. Wrathell stated that, often, for cashflow reasons, commercial property owners let the tax certificates be sold and then pay off the tax certificates just before the tax deed sale, which would occur two years after the sale of the first tax certificate. Mr. Gallo spoke with the Vista Par Condominium Association President, who reported that there was a \$300,000 dispute and the contractor pulled out of the project; therefore, the project halted.

Mr. Bob Hopkins, a resident, noted that garbage service occurred on Memorial Day; however, most residents did not put their garbage cans out. Since residents receive e-blasts about “everything”, including “Have a nice holiday”, he felt that it would be a nice public service to include a reminder in the e-blast that garbage pickup would occur on the holiday.

Ms. Susan Stanco, a resident, stated that the vacant parcel of land next to her home was not maintained for the past several months and asked what would be done and if the CDD owned it. The parcel has a bench and trash can but they are not used. Mr. Kloptosky stated that the District had owned the property for a while; it was an overgrown common area. Ms. Leister would advise Ms. Stanco of the landscaping plans for the parcel, following today's meeting.

FOURTH ORDER OF BUSINESS**CONSENT AGENDA ITEMS****A. APPROVAL OF MINUTES**

- i. **May 5, 2016 Continued Meeting**
- ii. **May 5, 2016 Community Workshop**
- iii. **May 19, 2016 Regular Meeting**

B. APPROVAL OF UNAUDITED FINANCIAL STATEMENTS**i. Unaudited Financial Statements as of May 31, 2016**

Mr. McGaffney presented the Consent Agenda items for the Board's consideration. Revisions to the minutes were previously submitted to Management.

On MOTION by Supervisor Smith and seconded by Supervisor Lawrence, with all in favor, the Consent Agenda Items, as amended, were approved.

- **Landscape Budget – Louise Leister, District Horticulturalist**

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

Ms. Leister gave a slide presentation highlighting completed landscape work and future landscaping plans. Landscaping options were presented for an area of Montague, where more than 30 dead, diseased and dying palm trees were removed, including planting crape myrtle trees and a few palm trees. Supervisor Davidson asked if crape myrtle trees would create line-of-sight issues. Ms. Leister replied no. Landscaping ideas to improve the exterior appearance of The Village Center and surrounding areas were presented.

Ms. Leister and Mr. Kloptosky created a list of categories and approximate budget amounts for landscaping work that would enable more precise accounting of the work completed so expenses could be billed properly. The following additional budget categories for Fiscal Year 2017, with estimated budget amounts, were suggested:

- “Tree Maintenance” - Common area tree pruning to include dead and diseased tree removal
- “Firewise” – Underbrush/understory mowing, vine removal and removal of exotic invasives
- “Landscape replacement” – Landscape replacement to include area of Firewise removals, dead/diseased trees and replacement of dead landscaping
- “Landscape enhancement” – New community landscape projects and upgrades

Discussion ensued regarding the aging community and greater landscaping needs, such as pruning trees and removal of dead trees, which require increases to the landscaping budget.

Supervisor Smith pointed out that the anticipated amounts for Fiscal Year 2017 totaled the amounts spent, through three-quarters of Fiscal Year 2016 and expressed concern that Ms. Leister’s proposed Fiscal Year 2017 budget amounts were too low. Supervisor Lawrence stated that, essentially, Ms. Leister’s Fiscal Year 2016 projects stopped, with the exception of dead tree removal, and voiced his opinion that the Board should give Ms. Leister permission to continue with all projects and to go over budget. Supervisor Davidson pointed out that the Board previously agreed that dead trees should be removed but the trees would not be replaced during Fiscal Year 2016, since expenditures were already over budget. Ms. Leister requested permission to replace the removed trees on Montague. The Board agreed.

Discussion ensued regarding whether the total \$120,000 proposed for the Fiscal Year 2017 budget would be sufficient. Supervisor Chiodo suggested reevaluating the proposed amount and increasing it, if necessary, prior to final approval of the Fiscal Year 2017 budget. Supervisor Smith questioned whether a spending limit should be set. As the Fiscal Year 2016 budget was already over budget for Fiscal Year 2016, Supervisor Smith questioned if a maximum expenditure amount should be set for Ms. Leister for the remainder of Fiscal Year 2016. In lieu of setting an amount, Ms. Leister would report her monthly expenditures to Mr. Kloptosky.

Supervisor Davidson asked if the \$120,000 amount would be budgeted in the Capital Improvement Plan (CIP) or Operation and Maintenance (O&M) budget. Supervisor Lawrence stated that \$50,000 for Firewise was traditionally on the Capital budget. Supervisor Lawrence pointed out that the Fiscal Year 2016 budget only had three categories for Ms. Leister’s work and asked if Ms. Leister’s proposed Fiscal Year 2017 categories should be used, instead. Supervisor Chiodo questioned if any of Ms. Leister’s expenditures should be considered CIP expenditures. Mr. Wrathell stated that, technically, none of those would be CIP expenditures;

however, the Board has discretion of where to categorize those expenditures. After discussing the proposed Fiscal Year 2017 budget and assessment implications, the Board might be better prepared to decide where to budget those expenditures. Mr. Wrathell stated that where to budget those expenses could be dictated by whether including them in the O&M budget would increase assessments, which would require the District to send the 197 letter.

Supervisor Smith asked for an estimate of the number of hours Ms. Leister works in the District, each week. Ms. Leister stated two to three, eight-hour days, per week; based on her pay, she should work two hours per week in the District.

Ms. Stanco asked if the work on the parcel near her home would be delayed until Fiscal Year 2017. Supervisor Davidson replied affirmatively, as it is not a threat to life and property. Fiscal Year 2017 commences October 1, 2016.

Mr. Hopkins asked about rethinking the 7', 12' and 14' Waterside Parkway tree canopy because, after the canopy was cut, a large truck damaged the canopy. Ms. Leister stated Waterside Parkway has a very high tree canopy of 16' to 18'.

FIFTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Continued Discussion: Proposed Budgets for Fiscal Year 2016-2017

Mr. Wrathell reviewed the proposed Fiscal Year 2017 budget. The “Debt Service Fund Budget - Series 2004A Bonds” and “Debt Service Schedule”, on Pages 13 and 14, were revised. Management previously assumed that, because there was nearly enough cash on hand, the bonds could, potentially, be restructured and paid off early, so the last two years were dropped from the “Debt Service Schedule”. Upon review, the “Debt Service Schedule” was corrected to show the Series 2004A Bonds maturing in Fiscal Year 2019. Mr. Wrathell noted that both the “Debt Service Fund Budget - Series 2004A Bonds” and “Debt Service Fund Budget - Series 2008 Bonds”, on Pages 13 and 15, respectively, had surplus fund balances and discussed using those funds to bring the debt service assessments in line for everyone and to lower assessments, over the next three years.

Supervisor Smith asked if there was a legal requirement on the minimum value of the reserve. Mr. Wrathell stated that the “Debt service reserve account balance (required)” line item reflected the required reserve amount and the “Interest expense – November 1, 2017” line item reflected the amount needed to make the interest payment. The surplus funds in the “Projected fund balance surplus/(deficit) as of September 30, 2017” line item could not be moved but could

be used to lower debt service assessments. Additionally, in the last year of the bonds, the “Debt service reserve account balance (required) funds would be released when the bonds are paid off and could be used to reduce assessments.

Supervisor Davidson referred to the tables on Page 17 and explained that the concept was to reduce a portion of the overall assessment, as it applies to the debt service assessment amount. Mr. Wrathell reviewed the proposed assessments, on Page 17.

Supervisor Lawrence recalled that, in the future, the District would face about \$6 million in road repair expenses; therefore, when the bonds were paid off, the plan was to continue collecting the same amount to build up reserves for “Roads⁷”, on Page 5. Supervisor Chiodo noted that the decision to proceed, as Supervisor Lawrence explained, was not made, yet.

Mr. Vic Natiello, a resident, wanted to know if surplus funds would be used to bring the debt service assessments for the “SF – Parcel 505” properties in line with the others and then used to lower assessments for all but not mix and match. Mr. Wrathell stated that each individual parcel carries a debt assessment and the areas and benefits are broken out, separately; the funds are never comingled and remain separate and distinct.

Mr. Wrathell discussed reserves built up for roads and using reserves and surplus funds to fund the \$912,000 budgeted for “Road project”, in Fiscal Year 2017. The “Infrastructure Reinvestment” assessment, on Page 17, reflected a \$74.61 decrease from Fiscal Year 2016 to Fiscal Year 2017 so, it would be possible to increase the “General infrastructure replacement/repair” line item to include additional CIP projects but still lower assessments.

Regarding categories, Supervisor Chiodo recalled that some of the expenses related to Ms. Leister’s work might be moved from the CIP budget line items to the O&M items. Mr. Wrathell stated that, if assessments increase in any specific category, the 197 letter must be sent to notify property owners of the increase. Even if assessments in any of the three categories decreased but increased in even one category, by a certain percentage, it would necessitate the 197 letter, so, shifting some expenses to where they “should” be budgeted could ultimately trigger the 197 letter process.

Supervisor Chiodo noted the possibility of complaints about an increase in one assessment category, even if the overall assessment amount decreased but felt that, despite the possibility, expenses should be budgeted in the appropriate categories. Mr. Wrathell recommended against focusing on defining what is infrastructure reinvestment work, as an accountant would define it and whether it “fits” in the CIP budget, and keeping the item in the

CIP budget. In response to a question, Mr. Wrathell stated that, by the July meeting, it must be decided whether assessments would increase so that the 197 letter could be sent, if necessary.

Mr. Hopkins asked what necessitates the 197 letter. Mr. Clark felt that, if O&M assessments increased by \$72, the notice should be sent, even if overall assessments decreased.

*****The meeting recessed 11:30 a.m.*****

*****The meeting reconvened at 11:43 a.m.*****

Mr. McGaffney highlighted the following changes to the O&M budget that were made, at the last meeting:

Page 3: Addition of "Landscape repairs & replacement" line item for \$35,000

Page 3: Addition of "Sidewalk repairs & replacement" line item for \$10,000

The following changes would be made:

Page 3: Change "Oak tree pruning" to "Tree maintenance" and change "\$14,400" to "30,000"

The following changes were made, at the last meeting:

Page 3: "Street lights¹" line item amount reduced to "23,000"

Supervisor Lawrence referred to Ms. Leister's list and stated that "Tree maintenance", "Landscape replacement" and "Landscape enhancement" would be included in the O&M budget and budgeted, as presented. Unless the Board felt otherwise, Supervisor Lawrence felt that the \$50,000 "Landscape rejuvenation" line item should remain in the CIP budget, relabeled as "Firewise". Supervisor Davidson stated that \$70,000, total, would be budgeted in the O&M budget for Ms. Leister's projects.

Supervisor Lawrence reviewed the Fiscal Year 2017 CIP budget items and anticipated costs:

- Landscape rejuvenation and vine removal (to be renamed "Firewise") \$ 50,000
- Road Program (repair curbs, resurface & replace concrete roads) (1) \$912,000
- Repair Brick Paver Crosswalks - Main Gate & Montague
- Repair Front Street Monument Signs \$ 4,700
- Replace 1 gate operator \$ 5,000
- Main Guard House Roof Coating (included in O&M budget)
- Replace rotting wooden signs on WSP \$ 10,000
- Birding path behind Pelican Ct – FY 2018
- 9th green site work – FY 2018

- Replace steel street lights with terminal rust \$25,000
- Rejuvenate Front Street coquina path – FY 2018
- Relocate walking path; add wooden bridge @ Turkey Oak Lane – FY 2018
- Repair VC Buildings Stucco \$230,000
- Replace Bathroom floor/wall tile, shower tile/doors, entrance/water closet doors \$50,000
- Café Bar Renovation-new bar top & front; add glass rack above bar – FY 2018
- Resurface tennis courts 5 – 7 – FY 2018 VC
- Replace tennis court fence posts (rust/safety) and fence VC \$ 80,000
- Change 40 tennis court lights to LED VC \$ 85,000

Mr. Kloptosky noted that The Village Center electric was at maximum capacity and nothing significant could be added without adding another power service; therefore, converting the tennis court lights to LED would free up power so that pickleball court lights or other lights could be added, in the future. Supervisor Chiodo wanted to know the potential savings by converting to LED lights. Mr. Kloptosky would research and provide information before the project commenced. Supervisor Lawrence pointed out that this was the CIP budget plan for Fiscal Year 2017 but projects would not commence until approved. In response to Supervisor Davidson’s question, Mr. Kloptosky clarified that the storage room addition could be completed without an additional power service; the power draw issue would be related to major additions, such as lights for the pickleball court. Mr. Kloptosky indicated that, going forward, all light installations would be LED. Discussion ensued regarding minimizing electrical costs related to the tennis court lights. Mr. Kloptosky noted that the bocce ball court lights would have an override switch so that, if no one is using them, the lights could be shut off and players must ask to have them turned on.

- Replace 3 VC office computers VC \$ 1,500
- Replace Support Columns around Pool Area – FY 2018 VC
- Add lights to pickleball court VC \$ 15,000
- Replace 1 piece of Gym Equipment VC/CAC \$ 5,000
- Resurface BB court VC \$ 2,900
- Replace Tot Lot facilities VC \$ 15,000
- Replace 1 A/C unit VC/CAC \$ 11,000
- Replace BB backboards & hoops – 1 @ WO; 2 @ CAC \$ 3,155

- Resurface BB court CAC (\$4,500) & WO (\$2,900) \$ 7,450
- Replace Tile around building due cracking-potential safety issue – FY 2018 CAC

The Fiscal Year 2017 expected capital projects totaled \$1,512,705. Mr. McGaffney stated that, in the proposed Fiscal Year 2017 budget, on Page 4, the \$1,487,349 “Unassigned” line item would be increased to “1,512,705”. Supervisor Chiodo noted that much of that amount would come from reserves.

Supervisor Davidson referred to an email from Mr. Jim Cullis, of Grand Haven Realty, regarding backups at the Main Gate and onto Colbert Lane. Previously, backup issues at the Main Gate, during busy times, were alleviated by having a second guard on duty. Supervisor Davidson suggested budgeting for a second guard, year round, during busy hours, which would increase the budget. Supervisor Lawrence wanted input from the guard supervisor regarding the hours that an additional guard would be needed. Supervisor Davidson recalled that this was previously discussed.

In response to Supervisor Smith’s question, Mr. Kloptosky confirmed that the backup issues were still being tracked. The results remain the same as before, with peak times between 8:00 a.m., and 1:00 p.m. A second guard, during those times, was effective, when previously implemented. The Board left it to Mr. Kloptosky’s discretion to add guard services, as needed but the contractor does not have sufficient staff to cover, on an as-needed basis; the District must commit to a specified time. Supervisor Gaeta questioned if the same backups were occurring since school was no longer in session. Mr. Kloptosky would invite the guard contractor to the next workshop. Supervisor Chiodo did not recall the backup issues at the Main Gate being related to school being in session. Supervisor Davidson felt that most issues were due to local contractors and construction contractors entering.

Mr. Kloptosky estimated that an additional guard, five hours per day, five days per week, for the entire year, would cost approximately \$19,500. Supervisor Lawrence noted that a \$17,225 “Additional guards” line item was already included in the proposed Fiscal Year 2017 budget. Regarding the \$5,000 spent for additional guards in Fiscal Year 2016, Mr. Kloptosky stated that the expense related primarily to stationing a guard at a gate, 24/7, if a gate breaks and parts must be ordered, since gates cannot be left open and/or unattended. The following change was made to the proposed Fiscal Year 2017 budget:

Page 4, “Additional guards” line item: Change “17,225” to “25,000”

B. Continued Discussion: FY2016 and FY 2017 CIP

This item was discussed during Item 5.A.

▪ **TIME CERTAIN: 12:00 P.M., PUBLIC HEARING**

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

A. TO HEAR PUBLIC COMMENT AND OBJECTIONS TO THE ADOPTION OF PROPOSED ABANDONMENT OF AN EASEMENT DEDICATED TO THE DISTRICT BY THE SUBDIVISION PLAT OF CREEKSIDE VILLAGE AT GRAND HAVEN, MAP BOOK 34, PAGE 69, IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA (THE “PLAT”)

Mr. Clark presented Resolution 2016-9 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 VACATING AND PARTIALLY ABANDONING AN EASEMENT FOR PEDESTRIAN ACCESS FACILITIES SET FORTH IN THE SUBDIVISION PLAT OF CREEKSIDE VILLAGE AT GRAND HAVEN.”

Mr. Clark indicated that the Public Hearing was properly advertised. The purpose of this resolution was to eliminate anyone claiming to have a right to travel across the two lots.

Supervisor Davidson explained that there is a combined easement on two lots in Creekside, near the monument sign to the main entrance to Waterfront Park, on Waterfront Park Road, for utility maintenance and pedestrian access. In the original Master Plan for Development (MPD), it was contemplated that residents could access the park through that area; however, others utilized the area to access the community from the park for questionable purposes. District Counsel previously recommended eliminating the pedestrian easement, which would make utilizing the trespass process on someone crossing the area a defensible position, should the trespasser higher legal counsel. Supervisor Davidson summarized that the pedestrian easement would be vacated, the utility maintenance easement would remain and the District planned to increase the fence and gate height to 6’.

******Mr. McGaffney opened the Public Hearing.******

The following change was made:

Page 2, Section 2., Line 6: Insert “or resident emergency egress” after “egress”

Page 2, Section 2., Line 7: Change “North” to “Waterfront”

Mr. Gallo commented that anything the Board could do to support the residents’ ability to utilize a Trespass Notice, through the Sheriff’s Office, deserves support and should be passed.

*****Mr. McGaffney closed the Public Hearing.*****

On MOTION by Supervisor Chiodo and seconded by Supervisor Davidson, with all in favor, Resolution 2016-9, Vacating and Partially Abandoning an Easement for Pedestrian Access Facilities Set Forth in the Subdivision Plat of Creekside Village at Grand Haven, as amended, was adopted.

Mr. Clark indicated that the amended Resolution would be submitted for execution and recorded in the Public Record.

▪ **Continued Discussion: Proposed Budgets for Fiscal Year 2016/2017**

Discussion of this item resumed.

The following changes were made:

Page 1: Change “Security operations” to “Gate access control operations”

Page 4: Change “ontrol” to “control”

In response to Mr. Gallo’s question, Supervisor Davidson explained that Page 1 was a summary capsule of everything in the budget.

Ms. Cerbone confirmed that the \$35,843 “Health insurance” line item, on Page 3, was the correct amount. The amount did not include the reimbursement paid to Mr. Kloptosky for purchasing private health coverage, as opposed to participating in the employee plan. Mr. Kloptosky’s reimbursement is booked as payroll. Mr. Wrathell explained that, when the District did not offer health insurance to employees, it avoided tying the reimbursement to health insurance and referred to it as part of Mr. Kloptosky’s compensation.

Ms. Cerbone stated that the District would pay 100% of Mr. Kloptosky’s private health insurance coverage and 30% of his spouse’s coverage. Mr. Kloptosky’s reimbursement amount was factored into the “Payroll” line item amount, on Page 3.

In response to Supervisor Smith’s question, Ms. Cerbone stated that the \$35,843 amount for health insurance would not change, provided the employees’ coverage does not change and there are no “life events”, which could change it.

Supervisor Gaeta asked if a cap was set on the number of dependents an employee could have on their health plan. Ms. Cerbone stated that, since the coverage is a small plan, the costs are calculated on each dependent; no cap on the number of dependents was set. Mr. Clark stated that health coverage is a benefit that would be reviewed annually; therefore, adjustments could

be made. Mr. Clark noted that setting a limit on the number of dependents would verge on discrimination.

Supervisor Gaeta asked what would happen if the number of employees on the plan fell below the required threshold for coverage. Ms. Cerbone must inquire.

The following change was made:

Page 3, "Health insurance" line item: Increase "35,843" to "38,000"

Supervisor Smith asked if there was clarification regarding what was causing the Creekside high water bills. Mr. Kloptosky replied no. The outdoor shower was checked and it was not leaking. It was possible that the shower was being left on. Supervisor Davidson directed Mr. Kloptosky to install auto shut-off valves on all outdoor showers.

▪ **STAFF REPORTS**

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

A. District Engineer

Mr. Sullivan stated that the parking lot expansion at Creekside was nearly completed. Approval by the City was pending. The parking lot must be inspected before it can be opened. The inspection should occur next week. Regarding bumpers, Mr. Kloptosky indicated that bumpers would not be installed in the new section but broken bumpers were replaced in the original section. Mr. Kloptosky stated that the contractor had not requested the City inspection yet because the final survey and electrical inspection must be completed. The contractor was completing minor punch list items.

Supervisor Lawrence asked about installing cameras and a DVR for the Creekside rear parking lot and field, which were included in the Fiscal Year CIP budget but not approved. Mr. Kloptosky stated if approved, the underground conduit for the system was already installed.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, installation of eight cameras and a DVR for the Creekside rear parking lot and field, in a not-to-exceed amount of \$7,000, was approved.

B. Amenity Manager

There being no report, the next item followed.

Supervisor Davidson reported that 78 residents attended a recent Community Emergency Response Team (CERT) meeting and 22 signed up to train and become CERT members.

C. Field/Operations Manager**i. Curb Repair/Front Street Road Resurfacing**

Mr. Kloptosky recalled the decision to halt the Request for Qualifications (RFQ) for District Engineering Services, separate the scopes of work, complete the concrete curb and gutter repairs and the concrete road, prior to proceeding with resurfacing. Photographs and a list of areas with issues, as determined by Mr. Kloptosky, were presented and reviewed. S.E. Cline Construction (Cline) inspected the areas, based on the list provided.

Discussion ensued regarding an area of concern where a tree on private property was causing the issue. Mr. Kloptosky stated, regardless of it being private property, it is the District's responsibility to keep curbs and gutters operational. Supervisor Chiodo asked if the tree roots would be trimmed. Mr. Kloptosky replied affirmatively. Supervisor Chiodo asked if the District would be allowed to trim the tree roots of a tree on private property. Mr. Clark replied affirmatively; the tree roots were entering the CDD's right-of-way (ROW), so they could be trimmed. Mr. Kloptosky stated that the curb would be removed and the tree roots would be trimmed before pouring concrete. Supervisor Chiodo asked if the District would repair a private driveway if it were lifting. Mr. Kloptosky stated that many are paver driveways so it might be necessary to remove and replace some pavers to adjust the grade of the driveway.

Supervisor Chiodo voiced his opinion that the curb and gutter repairs would snowball and probably become a major CIP item.

Mr. Kloptosky reviewed the list of roads and work included in the original RFQ package.

Supervisor Chiodo asked if other streets needed work. Mr. Kloptosky stated that the list only included streets that were on the Fiscal Year 2016 budget; other areas require work but were on the Fiscal Year 2017 list or were not on any lists. In response to Supervisor Chiodo's question, Mr. Kloptosky stated that he was not able to address the streets on the Fiscal Year 2017 list but, once reviewed, he may be able to obtain a proposal from Cline to complete both the Fiscal Year 2016 and 2017 lists.

Mr. Kloptosky presented a \$54,041.50 proposal from Cline to repair every curb and gutter issue identified on the Fiscal Year 2016 list.

Mr. Kloptosky presented a \$29,324.34 proposal from Cline to remove and replace the North Front Street concrete roads. Drain work was not anticipated. Supervisor Gaeta asked for clarification of the statement, "Removal/replacement of any unsuitable material is not included." Mr. Kloptosky stated that it referred to finding something unexpected when the concrete was

removed, other than base material. Cline proposed \$30,658.14 to remove and replace the South Front Street concrete roads.

Mr. Kloptosky surmised that work on all three projects could commence, immediately; however, a permit would be required for the work on the concrete roads, which would require drawings from the District Engineer. Mr. Sullivan stated that the drawings could probably be completed in about two weeks. The curb and gutter work could be completed while obtaining the permit.

Mr. Kloptosky would review the Fiscal Year 2017 list, which included Lakeview Lane. Lakeview Lane was concrete, as well and, while the curbs and gutters might be accomplished in Fiscal Year 2016, it was unlikely that the road could be completed. Supervisor Chiodo asked if waiting to incorporate the Fiscal Year 2017 work would modify the cost estimate for the Fiscal Year 2016 work. Mr. Kloptosky stated that it probably would not; the more work completed, the better the price because Cline would only mobilize once. Mr. Kloptosky felt that Cline's price was very good.

Mr. Kloptosky stated that the \$54,041.50 for curb and gutter repairs, along with the \$59,982.48 for the two Front Street locations, equated to a total of \$114,023.98, for Fiscal Year 2016 road repairs. Supervisor Lawrence stated that the Fiscal Year 2016 CIP budget had \$77,277, leaving a shortage of \$36,747; however, the CIP budget had sufficient funds to cover the cost. The quotes did not include engineering or permitting costs.

Supervisor Smith asked about the possibility of completing any of the roads on the Fiscal Year 2017 list during Fiscal Year 2016. Mr. Kloptosky stated the lists could be treated separately or the curb and gutter repairs from the Fiscal Year 2017 list could be added. Continuing the meeting to the workshop date was suggested so that the Fiscal Year 2017 list could be prepared and Mr. Kloptosky could obtain an estimate from Cline to incorporate the Fiscal Year 2017 curb and gutter repairs into the Fiscal Year 2016 work.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, the S.E. Cline Construction proposals for curb and gutter repairs and North and South Front Street repairs, in a not-to-exceed amount of \$115,000, and authorizing the District Engineer to prepare the necessary drawings, were approved.

Regarding the Creekside rear parking lot, Mr. Kloptosky stated that the lights were installed and paving and striping were completed. The electrical inspection was pending and, once completed, the survey would be completed and final inspection by the City would be requested. Upon completion of the survey, Mr. Kloptosky wanted to open the original section of the parking lot.

Mr. Kloptosky presented Change Order 1, for \$3,580, to “install poured in place P4 inlet in lieu of precast P6 inlet”, remove palmetto scrub for landscaper to install new plantings and to install new striping and wheelstops in the existing parking lot, for ratification.

On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, the S.E. Cline Construction Change Order 1, for \$3,580, was ratified.

Mr. Kloptosky stated that a resident requested that the District contact the County regarding adding crosswalks on Colbert Lane, near the North and South Gates. The County planned to resurface Colbert Lane between 2017 and 2018 and planned to add crosswalks, at that time. Supervisor Smith felt that there should be crosswalks near the Main Gate and asked if the District must request crosswalks at that location. Mr. Kloptosky would ask the county.

Mr. Kloptosky recalled Supervisor Chiodo’s request for signs at the North and South Gates to direct drivers to the Main Gate. Numerous emails and calls were made to the County, as the signage would be in a County easement. The County did not disallow it but advised that signage must comply with specific standards, which Mr. Kloptosky requested but had not received.

Supervisor Chiodo stated that the signage would be on Colbert Lane, before the North and South Gates, directing all visitors to enter through the Main Gate. Signage should eliminate visitors backing out of the North and South Gates.

Regarding the Waterfront Park Road fence matter, Mr. Kloptosky recalled that the District has a Right of Way Utilization Agreement with the City for a 3’ high fence. The Board wanted to increase the height and adjacent fencing, on Creekside Drive, to 6’. Mr. Kloptosky sought assistance from Palm Coast Commissioner Jason DeLorenzo to amend the agreement, which would be easier than obtaining a new agreement. Supervisor Chiodo believed that Commissioner DeLorenzo already committed to helping the District. Supervisor Chiodo stated

that the City Manager, Mr. Jim Landon, was aware of the issue and agreed; the District has the proposed agreement from the City to increase the landscaping outside of the fence, all along Waterfront Park Road, to prickly bushes, to secure the area better. Supervisor Chiodo agreed to contact Mr. Landon. Mr. Kloptosky would provide Supervisor Chiodo with the proposal and a photograph and Mr. Clark would provide draft wording for the amendment.

Mr. Kloptosky reported resident complaints about aggressive alligators in Ponds 13 and 14. Three were removed but that was not all of them. Residents witnessed a resident, on Jasmine Drive, feeding alligators, which is against the law, carries a fine and multiple violations could result in a second-degree felony. Alligators are migrating to the area because they were being fed. The resident was notified not to feed alligators. The Board directed Mr. Kloptosky to prepare an e-blast to residents and post information at the Amenity Center. Mr. Clark will review the e-blast prior to it being sent.

Mr. Kloptosky referred to The Village Center storage addition that was included in the Fiscal Year CIP projects, which was previously approved, and asked if the Board wanted to proceed. Supervisor Lawrence stated that \$54,000 was approved and there were sufficient funds to complete the project. In response to Supervisor Gaeta's question, Mr. Kloptosky stated that the only impact the moisture intrusion project would have on the expansion project would be stuccoing the wall; the expansion could be completed prior to stuccoing the building. The Board directed Mr. Kloptosky to proceed, as the project was previously approved.

Mr. Kloptosky recalled previously presenting a proposal from Aquatic Systems Inc., (ASI), for lake bank spraying. A new proposal, for \$1,457, not including common areas with bulkheads, to spray quarterly, until well maintained and then spray on an as-needed basis, was obtained.

Mr. Clark noted that the District did not have a master contract with ASI; however, Mr. Kloptosky could proceed with this proposal. Mr. Clark would draft a master contract.

Mr. Kloptosky recalled the letter from the National Opinion Research Center (NORC) alerting the District of their intent to enter the community to survey random residents. Dr. Rob Carlton, GHMA President, sent a letter expressing the GHMA's opinion about soliciting. Mr. Kloptosky stated that he did not send a letter, on behalf of the CDD. Supervisor Chiodo clarified that Mr. Kloptosky was previously directed to instruct the security guards that anyone from NORC or a private investigator (PI) should be allowed access and access should be documented. Mr. Kloptosky confirmed that those instructions were given to the guards. Mr. Kloptosky

reiterated his belief that the District would send a letter to the NORC. Supervisor Chiodo stated that he contacted the NORC but did not receive a response. Mr. Wrathell saw no purpose in sending a letter to the NORC. Since the District must allow access, the guards should obtain information. Supervisor Davidson stated that the District wanted the NORC, as a courtesy, to provide the names and addresses of where they were going. Mr. Clark stated that the CDD could ask people to identify where they are going; however, the person could refuse to provide the information and the guard must allow the person entry. Supervisor Gaeta asked if the person could be required to provide identification. Mr. Clark indicated that the guard could ask for identification but could not require it.

Regarding bicycle parking, Mr. Kloptosky provided a draft notice to the community and a tracking log to track violations. Supervisor Davidson felt that violations would be handled using the established process. Supervisor Davidson asked that photographs, a map or description of the bicycle rack locations be included in the e-blast. Discussion ensued regarding installing bicycle racks in other locations.

*****Supervisor Gaeta left the meeting.*****

D. District Counsel

Regarding newly passed legislation requiring agendas to be posted on the CDD's website, seven days ahead of the meeting. The District already has a rule stating that the agendas would be available seven days ahead of the meeting so, in Mr. Clark's opinion, the new legislation was "an additional posting". Logistical issues with meeting the requirement included lead time for the webmaster to post the agenda, etc. The question was previously raised regarding whether the District was bound to that agenda, once posted, or could there be changes or additions. Mr. Clark stated that there was longstanding recognition that, giving a notice of the agenda does not bind the Board to only the items in the agenda; items could be added. When something is added, an action should be taken. Mr. Clark recommended adding an agenda item titled, "MODIFICATIONS TO AGENDA", where additions could be added, the agenda could be reordered, etc. Mr. Clark cautioned against adding controversial items or topics that could be viewed as being left off to avoid input from someone. Mr. Clark suggested that the posted agenda contain verbiage stating that the agenda may be subject to change or items may be added. It was not necessary for the Board to vote on this.

Supervisor Davidson stated that the e-blast, sent a few days prior to the meetings, contains a link to the agenda; legislation does not require the District to e-blast the agenda to

residents seven days prior to the meeting. Mr. Wrathell concurred; as long as the agenda is posted on the website, there is no obligation to e-blast it. In response to Supervisor Davidson's question, Mr. Clark confirmed that the e-blast was not required.

Regarding a question, at the last meeting, about whether the District had the power to purchase a tax certificate on the unfinished condominium buildings, Mr. Clark stated that the District could purchase tax certificates, at the tax certificate sale, or, the District could place a lien on purchased tax certificates. Once the District places a lien on the tax certificates, it has the right, after one year, to foreclose on that property for the tax certificates held. Mr. Clark stated that in excess of \$300,000 is delinquent and more than 50% of that amount is owed to the District; however, the District was "made whole" by the receipts from the tax certificate sale. In this instance, it would cost the District to foreclose but there might be future situations where the District should consider that approach. Mr. Wrathell noted that a more direct path toward foreclosure would be for the District to take the assessments off the tax bill and direct-bill them. If the direct-billed assessments were not paid within a reasonable time, the District could proceed with foreclosure. Mr. Clark stated that approach would generally be used when the tax certificates are not being bought. Regarding the rumor that the tax certificates were purchased by an investment group, Mr. Wrathell stated that it is generally not a negative and could be positive.

Supervisor Davidson identified the purchasers of the condominium and Escalante tax certificates. Supervisor Lawrence asked if this means that the golf course was going out of business. Supervisor Davidson stated it meant that Escalante did not pay property taxes or assessments for the past year but the District would receive the assessment funds from the tax certificate sale. Supervisor Davidson was concerned about the "health" of the golf course operation. Supervisor Lawrence pointed out the huge impact that the golf course has on property values.

Mr. Clark stated that the Non-Resident Continuing Release of Liability was updated and ready for use.

Regarding the traffic light bond, Mr. Clark received the County's revisions to the agreement. The County wants the agreement to state, affirmatively, that the County would be in control of the design of the future traffic light; however, the District might have a bit of control if the County needed an easement. This concession would not be much worse from the current situation and might make the District's situation better. The County wanted the agreement to

state that the District would not levy assessments on any of the County's property, as a result of that, which Mr. Clark did not mind, because the District could not assess it, anyway, since the property is not within the CDD; it is in the right-of-way (ROW).

This item would be included on the July 7, 2016 Continued Meeting agenda.

E. District Manager

i. Consideration of Field Operations Manager Compensation Adjustment (*health insurance related*)

Mr. McGaffney distributed details of Mr. Kloptosky's compensation adjustment related to health insurance.

Ms. Cerbone reiterated that Mr. Kloptosky would receive compensation for 100% of his and 30% of his spouse's private health insurance costs; the amount was grossed up to account for FICA tax. Mr. Kloptosky is currently compensated \$1,350 per month, for reimbursement of his private health insurance costs. Effective July 1, the compensation amount would increase to \$1,771 per month.

On MOTION by Supervisor Davidson and seconded by Supervisor Smith, with all in favor, authorizing Mr. Kloptosky's existing additional monthly compensation to be increased from \$1,350 to \$1,771.09, effective July 1, 2016, was approved.

ii. Upcoming Community Workshop/Regular Meeting Dates

o COMMUNITY WORKSHOP

▪ July 7, 2016 at 10:00 A.M.

The next workshop will be held on July 7, 2016 at 10:00 a.m. A Continued Meeting would be held on July 7, at 10:00 a.m., and the workshop would immediately follow.

o BOARD OF SUPERVISORS MEETING

▪ July 21, 2016 at 10:00 A.M.

The next meeting will be held on July 21, 2016 at 10:00 a.m.

▪ BUSINESS ITEMS

Discussion of the Business Items resumed.

C. Consideration of/Decision on: Non-Resident Continuing Release of Liability

Mr. Kloptosky was concerned that the release did not contain an ending date. Mr. Clark believed that the release was appropriate for its intended purpose. Supervisor Smith felt that

there was no downside, as the release could protect the District, forever. Supervisor Davidson asked if the release must be revoked by the person who signed it and not by the District. Mr. Clark stated that the release runs in the District's favor and the District would not want to revoke it; however, that did not mean that the District could not revoke facility usage, if there was a violation or suspension.

On MOTION by Supervisor Lawrence and seconded by Supervisor Smith, with all in favor, the Non-Resident Continuing Release of Liability, was approved.

D. Continued Discussion: Daily Guest Fee “House Guests and Daily Guests”

Discussion from the workshop continued regarding whether the guest or resident should be responsible for paying the daily guest fee. On Page 4, of the document included in the agenda, Item 1, states, “All Daily Guests must pay the daily usage fee...”; however, Supervisor Chiodo voiced his continued belief that the verbiage should be changed to state that the resident is responsible for payment of the daily guest fee and not the guest. Since the District has no control over guests, if the guest violates a rule, it would reflect on the resident. Supervisor Davidson stated that “Patron” would be the correct word, not “Resident”. Mr. Clark clarified that the term “Patron” also referred to houseguests; therefore, “owner or Registered renter” should be used, instead. The following change was made:

Page 4, Item (1), Line 5: Change “All Daily Guests must pay...” to “All Daily Guest fees must be paid by the Property Owner or Registered Renter.”

Mr. McGaffney noted verbiage in the remainder of the sentence stating that the Daily Guest must be accompanied by the Property Owner or Registered Renter at all times and suggested striking it, as it was not accurate. The following change was made:

Page 4, Item (1), Line 6: Change “,” to “.” after “day”

Page 4, Item (1), Lines 6 and 7: Delete “and must be accompanied by a Property Owner or Registered Renter (see definitions section) at all times.”

The redline version, containing these changes, would be included for consideration on the July 7 Continued Meeting agenda.

E. Discussion: Employee Manual – Health Insurance

The proposed Health Insurance addition to the Employee Manual was distributed. Supervisor Davidson voiced his opinion that the addition was satisfactory. Supervisor Smith questioned if the policy dates could be shifted to match the District’s fiscal year. Ms. Cerbone would inquire with the insurance provider. Supervisor Chiodo asked if there would be a 90-day probationary period before the employee received health insurance. Supervisor Davidson replied affirmatively. Mr. Gallo asked if the language specified that health insurance was not a continuing benefit, the coverage percentages could change and that it was not a foregone conclusion that health insurance would always part of employee compensation. Supervisor Davidson read, “This program will be reviewed, on an annual basis, and applicable changes made to Employer and Employee required contributions. Other changes...may be made at the beginning of a new plan year.”

On MOTION by Supervisor Davidson and seconded by Supervisor Smith, with all in favor, the Employee Manual Health Insurance addition, was approved.

F. Discussion: 2016 Legislative Amendment to Section 189.069(2)(a), Florida Statutes Requiring Information to be Posted on the CDD’s Official Website

This item was discussed during District Counsel’s report.

G. Consideration of/Decision on: Increase in Horticultural Services Rate from \$545/month to \$800/month, with a total budget of \$9,600

Mr. McGaffney recalled prior discussions regarding increasing Ms. Leister’s monthly rate.

On MOTION by Supervisor Lawrence and seconded by Supervisor Smith, with all in favor, increasing the Horticultural Services Rate from \$545 per month to \$800 per month, effective immediately, was approved.

H. Discussion: Main Gate Traffic Concerns

This item was discussed during Item 5.A.

SIXTH ORDER OF BUSINESS

TIME CERTAIN: 12:00 P.M., PUBLIC HEARING

- A. **TO HEAR PUBLIC COMMENT AND OBJECTIONS TO THE ADOPTION OF PROPOSED ABANDONMENT OF AN EASEMETN DEDICATED TO THE DISTRICT BY THE SUBDIVISION PLAT OF CREEKSIDE VILLAGE AT GRAND HAVEN, MAP BOOK 34, PAGE 69, IN THE PUBLIC RECORDS OF FLAGLER GOUNTY, FLORIDA (THE “PLAT”)**

This item was presented during Item 5.B.

SEVENTH ORDER OF BUSINESS

**Discussion/Consideration of/Decision on:
RFQ for District Engineering Services**

This item was presented following the Eighth Order of Business.

EIGHTH ORDER OF BUSINESS

**Consideration of/Decision on: Proposals
from Terracon Consultants Inc., for
Moisture Intrusion Remediation Design
Services**

- **Phase 1**
- **Phase 2**

Mr. Kloptosky stated that this matter was discussed at the last workshop and included on the meeting agenda for formal approval; he confirmed that the changes, amounts and wording were satisfactory.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the Terracon Consultants Inc., Phase 1 proposal, in a not-to-exceed amount of \$15,250, and Phase 2 proposal, in a not-to-exceed amount of \$13,250, were approved.

- **Discussion/Consideration of/Decision on: RFQ for District Engineering Services**

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

Supervisor Lawrence voiced his opinion that it is time to proceed with a Request for Qualifications (RFQ) for District Engineering Services.

Supervisor Davidson pointed out that the Ranking Criteria form did not contain a price category. Supervisor Davidson noted that the Ranking Criteria contained a “Certified Minority Business” ranking category, with a weight factor of five, and asked if it was a legal requirement to include that category in the ranking. Mr. Clark indicated that the “Certified Minority

Business” category was required for State agencies but it was not required for CDDs. Although price was not a deciding factor for an RFQ, Supervisor Davidson felt that price should be considered, as well. Mr. Clark stated that price could be a factor but the decision should not be strictly based on price. Supervisor Davidson recommended eliminating the “Certified Minority Business” category from the Ranking Criteria and adding a “Fee Structure” category. Supervisor Lawrence suggested reducing the “Familiarity with Project” weight factor from 25 to 15 and giving “Fee Schedule” a weight factor of 15. Supervisor Chiodo asked under which category references would be considered. Supervisor Davidson felt that the Ranking Schedule presented was not suitable to the District’s needs and suggested reviewing the Ranking Schedule from the last RFQ for District Engineering Services. Mr. McGaffney asked if the RFQ could be approved, subject to approval of the Ranking Criteria by District Staff and the Chair. Mr. Clark felt that establishing the Ranking Criteria was a Board function. In response to Supervisor Lawrence’s question, Mr. Clark voiced his belief that the Ranking Criteria must be available at the time of advertisement. Mr. Clark suggested revising the RFQ further and considering it at another time. Mr. McGaffney believed that the revised RFQ could be prepared and ready for approval at the July 7 Continued Meeting. Supervisor Smith asked who would draft the RFQ. Mr. McGaffney stated that Management or District Counsel could draft it. Mr. Clark believed that Management usually prepares RFQs. Mr. McGaffney stated that Management usually consults with District Counsel. In response to Supervisor Chiodo’s question, Mr. McGaffney confirmed that Management had a list of potential engineering firms to notify of the RFQ.

Mr. Kloptosky questioned if Terracon Consultants Inc., (Terracon) would report to the District Engineer or District Staff. Mr. McGaffney previously advised Mr. Kristopher Linster, of Terracon, that Terracon must report directly to the District. Mr. Kloptosky believed that, originally, the contract was to be between Terracon and Genesis but, now, it should be between Terracon and the District. Mr. Clark prepared a draft contract between the District and Terracon.

NINTH ORDER OF BUSINESS

STAFF REPORTS

A. District Engineer

This item was presented earlier in the meeting.

B. Amenity Manager

This item was presented earlier in the meeting.

C. Field/Operations Manager

i. Curb Repair/Front Street Road Resurfacing

This item was presented earlier in the meeting.

D. District Counsel

This item was presented earlier in the meeting.

E. District Manager

i. Consideration of Field Operations Manger Compensation Adjustment (health insurance related.)

This item was presented earlier in the meeting.

ii. Upcoming Community Workshop/Regular Meeting Dates

o COMMUNITY WORKSHOP

- **July 7, 2016 at 10:00 A.M.**

The next workshop will be held on July 7, 2016 at 10:00 a.m. The Continued Meeting was scheduled for Thursday, July 7, 2016 at 10:00 a.m.

o BOARD OF SUPERVISORS MEETING

- **July 21, 2016 at 10:00 A.M.**

The next meeting will be held on July 21, 2016 at 10:00 a.m.

Mr. McGaffney indicated that the following items would be included on the Continued Meeting agenda:

1. Discussion: Fiscal Year 2017 Road Project
2. Discussion on/Consideration of: Traffic Light Bond
3. Discussion on/Consideration of: Daily Guest Fee
4. Discussion on/Consideration of: RFQ for District Engineering Services

Supervisor Lawrence asked if Mr. Sullivan inquired about the RFQ for District Engineering Services. Mr. Kloptosky stated that Mr. Sullivan inquired and was advised that the District frequently goes out for RFQ for District Engineering Services.

TENTH ORDER OF BUSINESS

OPEN ITEMS

Items G and H were removed.

ELEVENTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Chiodo stated that the City's landscape architect advised that he was working on landscaping outside of Waterfront Park Road.

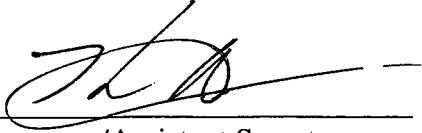
TWELFTH ORDER OF BUSINESS

ADJOURNMENT

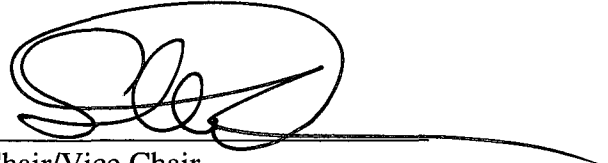
There being no further business to discuss, the meeting recessed at 2:17 p.m., and was continued to Thursday, July 7, 2016 at 10:00 a.m., at this location.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the meeting recessed at 2:17 p.m., and was continued to Thursday, July 7, 2016 at 10:00 a.m., at this location.

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Secretary/Assistant Secretary

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Chair/Vice Chair