

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

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, October 1, 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:**

Rick Woodville	Wrathell, Hunt and Associates, LLC
Barry Kloptosky	Field Operations Manager
Robert Ross	Vesta/AMG
Ashley Higgins	CDD Office Staff
Jim Cullis	Grand Haven Realty
John Burt	Enterprise Solutions Industries
Mark Rohrbeck	Celera IT Services, Inc.
Jim Gallo	Resident
Fred Herndon	Resident
Ron Merlo	Resident
Rob Carlton	Resident
Charles Greer	Resident
Bob Hopkins	Resident
Vic Natiello	Resident
David Reisman	Resident

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. Woodville called the workshop to order at 10:05 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.

- **9<sup>th</sup> Green Site [SD]**

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

Mr. Jim Cullis, of Grand Haven Realty, proposed a sale price of \$32,500 for the 9<sup>th</sup> Green site and indicated that he did not need the drainage or conservation easements but would buy them anyway. He will coordinate with District Counsel.

Mr. Cullis asked the District to pay the closing costs for the 9<sup>th</sup> Green site and he would pay the closing costs on the drainage and conservation easements. In response to Mr. Woodville’s question, Mr. Cullis confirmed that the \$32,500 purchase price was “net” of the drainage and conservation easements.

Mr. Cullis estimated the 9<sup>th</sup> Green site closing costs at \$400. He wanted to close by the end of October, or as soon as possible.

**THIRD ORDER OF BUSINESS**

**UPDATES: Amenity Manager**

▪ **Point-of Sale PCI-DSS Compliance**

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

Mr. Ross advised that the system should be operational by October 13, 2015.

Mr. John Burt, of Enterprise Solutions Industries (ESI), recalled discussion of issues related to Europay, MasterCard and Visa (EMV) card acceptance and Processing Card Industry (PCI) compliance. He indicated that the current equipment meets PCI requirements and qualifies to be PCI certified, although, it is not a strong PCI certification because, since the system was installed, several items related to PCI cardholder data changed. The current system was installed with a non supported, discontinued product from Microsoft. Mr. Burt explained that the PCI compliance regulations specifically state that discontinuing support or a product does not invalidate the PCI compliance, so the District is still in compliance but stronger systems are currently available. He indicated that the District’s system is scheduled to switch over on Tuesday, October 13, 2015.

Mr. Burt advised that EMV cards carry cardholder data on a chip, along with the back stripe. Processors stated that fraudulent cards that are presented and accepted, that do not have the EMV chip, would leave the merchant open to chargeback. He explained that a fraudulent card is one that was cloned, cardholder data was obtained, identity theft, etc., and used to purchase items. Mr. Burt felt that the District’s risk was low, as most customers are known; generally, businesses with self-service checkout, etc., are more at risk.

Mr. Burt stated that the PCI compliance issue relates to what the vendor does, within its system, to secure data, after the data is captured, whether by chip or back stripe. He felt that would be a real risk and concern for the District because it has a fiduciary responsibility to residents to protect their data. Mr. Burt explained that, part of the process is employee manuals, the employee instructions and who is allowed to do what; all are part of the PCI compliance standard and having software that is PCI compliant, routers, firewalls, storage of information, etc.

Supervisor Lawrence thought that the District must be compliant by October 1, 2015 or face penalties; however, the target date is now October 13, 2013. Mr. Burt indicated that the only financial penalty on EMV is, if a fraudulent card is accepted, the vendor is liable for the transaction; the processor can charge the vendor for the money on that transaction. For example, if a customer used a fraudulent card and spent \$80 at the café, the credit card processor has the right to charge that \$80 expenditure back to the District. Mr. Burt clarified that there is no legal requirement or mandate to have the EMV system; it is strictly related to how the credit card processing industry will handle the charge back on fraudulent transactions. More of the liability is being placed on the merchant for transactions not using a chip card system.

Mr. Mark Rohrbeck, of Celera IT Services, Inc. (Celera), stated that it is highly unlikely that fraudulent use would happen in the District; it would be more likely to occur at someplace like Best Buy to make a large purchase. He felt it was more important to understand the steps to PCI compliance and getting as close to that, as possible.

Mr. Burt advised that the new software being installed uses what is termed a “payment server” so the chip or back stripe credit cards are never visible to the point-of-sale (POS) system. It is handled separately by the payment server software; the data is encrypted when it is swiped or inserted into the chip reader and handles it separately, which significantly reduces the risk of the data to be breached.

Mr. Rohrbeck asked if the system installed on October 13, 2015, would have EMV chip readers. Mr. Burt was not sure if the EMV card readers would be on site by October 13, 2015. Mr. Burt stated that certification was completed for the Mercury and the TSYS platforms; the District is on Card Debt; however, Linda and Mr. Ross were exploring the requirements to switch the current credit card processing from Card Debt to Mercury. Mr. Rohrbeck questioned why the merchant must switch, when the EMV is hardware. Mr. Burt explained that EMV hardware must be certified by the processor and the POS software company specifically for that

processor. Mr. Rohrbeck asked when that would occur. Mr. Burt stated that pieces of the Mercury certification process were completed but estimated six to 18 months for it to be completed for the Card Debt system. Mr. Rohrbeck pointed out that, if the District switches to Mercury, it would be fully compliant with the EMV requirements. Mr. Burt concurred and advised that Mercury is focused on the restaurant and hospitality industry and took additional steps on PCI compliance, which provide additional advantages and protection. Mr. Rohrbeck indicated that the District was considering Mercury. Mr. Burt thought last month's merchant statements were being located so he could see the current merchant information, rates, processing volume and determine what rates Mercury could provide.

Supervisor Lawrence voiced his understanding that, if a fraudulent card is processed, AMG would incur the loss and not the District; therefore, this is an AMG matter. Supervisor Chiodo stated that the District would be liable if the customers' data or identity were impacted. Supervisor Gaeta asked about the manufacturer of the current POS system. Mr. Burt stated that the District currently uses Future POS software.

Mr. Rohrbeck believed that the card data points by Mr. Burt were important, as he noticed that the POS system was on the same network as the District's regular computers, which should not occur. In response to a comment by Supervisor Chiodo, Mr. Burt stated that the District's POS system should be on its own network, with a firewall. Mr. Rohrbeck noted that, currently, it is not. Mr. Burt indicated that some have the POS system on a separate internet circuit to completely separate them. Supervisor Gaeta recalled that Dolphin Technical Solutions (Dolphin) put AMG and the CDD office on separate networks, with firewalls; there were two separate connections. Mr. Rohrbeck agreed that there should be two separate connections but there are not. Supervisor Lawrence asked what must be done to change the system. Mr. Rohrbeck indicated that the firewalls would be changed in Fiscal Year 2016, which would resolve the issue because they would be configured separately, as well as resolving the Wi-Fi issues. Supervisor Lawrence asked if the firewall changes were Celera's first priority and when new firewalls could be in place. Mr. Rohrbeck replied affirmatively and estimated that it would take no longer than two weeks. Supervisor Chiodo felt that it was a reasonable amount of time. Mr. Rohrbeck noted that the system had been this way all along; he will provide a quote today.

In response to Supervisor Davidson's question, Mr. Rohrbeck indicated that Mr. Burt is with ESI, in Boca Raton, the company providing the upgraded POS system. Supervisor Davidson asked if ESI had this type of delay with all of its PCI and/or EMV installations, due to

out of date software or the hardware is not available. Mr. Burt stated that, regarding EMV, Future POS took the approach that it was not a technically sound choice so they are a little behind on providing a solution; however, in general, the restaurant POS software companies were at the mercy of the processor certifying the software being available to certify it with the POS companies so they are really behind. Mr. Burt anticipated that the first real implementations would be during the first quarter of 2016. In response to Mr. Rohrbeck's question, Mr. Burt advised that the upgrade would be to OrderCounter, which was aggressive getting the EMV put together. Supervisor Davidson asked when the District's hardware, software, etc., would be fully compliant. Mr. Burt anticipated installation on October 13, 2015, which would make the District fully PCI compliant; however, he did not anticipate having the EMV readers at that time, as the District must first switch to the Mercury or TSYS platform. Mr. Burt asked if, at that point, the only pending matter would be switching merchants in order to get the EMV part. Mr. Burt replied affirmatively but recalled that the processor's certification of the equipment has been a slow process; however, he expected a lead time of two to three weeks, once the devices are ordered. Mr. Burt felt that, once the processor is switched, everything should be completed by the end of October.

Supervisor Chiodo asked if there were any issues related to converting to Mercury, other than not knowing the cost, and whether a quote would be available at the next meeting. Mr. Ross felt there were no issues and a quote should be available by the next meeting.

Supervisor Gaeta asked if Future POS was hardware and if it was adaptable to the Mercury software. Mr. Rohrbeck indicated that Mercury would run on Future POS but those have Window XP; he recommended "getting rid of" Future POS.

Supervisor Gaeta asked if it was true that, as long as the District started the process, it was within the "window of opportunity" but, had the new software not been ordered, etc., the District could have been liable for a fraudulent card. Mr. Burt indicated that the extent of the District's liability on a fraudulent card would be being charged back for the purchase. Mr. Rohrbeck voiced his opinion that it would be an unlikely event in Grand Haven. Supervisor Gaeta asked if the District is "covered" because it has started the process. Mr. Rohrbeck responded "I would say so." Supervisor Davidson clarified that AMG is covered for its portion.

Supervisor Davidson asked if, on October 13, 2015, the CDD's liability for data storage for ID theft "goes away". Mr. Burt indicated that the District will have a more secure PCI

implementation than today; however, liability does not “go away”. Supervisor Davidson asked if liability is “lessened dramatically”. Mr. Burt explained how the EMV reader operates.

Mr. Rohrbeck confirmed that he will separate the systems as soon as possible. He will review information and noted that PCI compliance is complicated. Mr. Rohrbeck stated, if the District wants to be as compliant as possible, it should have the system evaluated by a PCI certified compliance consultant and Celera could help resolve any issues that are discovered.

Supervisor Gaeta asked what the District’s liability would be if it did not have a totally PCI compliant certificate from a PCI compliance consultant. Mr. Rohrbeck felt that, if credit card data was stolen and the District was not doing anything to protect the data, it could be fined but, if the District is “trying”, it should bode well with regard to the District’s liability.

In response to Supervisor Lawrence’s question, Mr. Rohrbeck confirmed that the payment server becomes operational on October 13, 2015. Supervisor voiced his understanding that, with the new system, credit card data is not saved when scanned. Mr. Rohrbeck stated that, when the card is scanned, the system blocks the POS from reading the data; data goes directly to the payment server and sends it back, so the card data is never stored in the POS system. Mr. Burt explained that data is encrypted on the payment server and transported, via internet, to the credit card processor. Mr. Burt indicated that, once the transaction is completed, the encrypted data is stored on the payment server for a limited time but it is securely encrypted.

Supervisor Davidson asked Mr. Ross if AMG was comfortable continuing under the current system until the new system is installed. Mr. Ross replied affirmatively.

In response to Mr. Woodville’s question, Mr. Burt advised that ESI would complete the POS software conversion on October 13, 2015. Mr. Woodville voiced his understanding that Mr. Rohrbeck would provide proposals to separate the network and for firewalls, at the next meeting. Mr. Rohrbeck replied affirmatively; however, it could be implemented sooner. Mr. Woodville stated that the Board must approve it; therefore, at the next meeting, he wanted Mr. Burt to coordinate with Mr. Rohrbeck and provide time frames for complete installation. Mr. Rohrbeck noted that a new router could be installed if the District did not want to install new firewalls at this time; the POS system would be on a separate router, which would be a quicker process. Mr. Woodville felt that the District must be compliant and expects Mr. Rohrbeck to provide a recommendation, at the next meeting, along with the proposals.

Supervisor Lawrence asked if separating the systems must wait until the next meeting. Mr. Rohrbeck would check to determine if there was another way to do it, since Supervisor

Gaeta indicated that there was. Mr. Kloptosky did not know what occurred, as the system was on a secure firewall. Mr. Rohrbeck was sure that it was no longer on a secure firewall. Mr. Kloptosky voiced his opinion that the District should address this as soon as possible. Supervisors Chiodo and Gaeta agreed.

Supervisor Gaeta asked if Mr. Rohrbeck provided a quote for an upgrade, since Windows XP is no longer supported. Mr. Rohrbeck indicated that it is part of the POS and will be completed on October 13, 2015.

Mr. Ross indicated that no one was playing Petanque, yet. In response to Supervisor Davidson’s question, a resident stated that no one is playing because there is no table, chairs and umbrella. Supervisor Davidson contended that the pickleball court lacks tables, chairs and umbrellas yet, many people play every day. Mr. Kloptosky advised that tables and awnings were on the Fiscal Year 2016 budget; he will order them soon.

**FOURTH ORDER OF BUSINESS**

**UPDATES: Field/Operations Manager**

Mr. Kloptosky presented a \$1,205 proposal from Aquatic Systems to stock Ponds 13 and 14 with 2,200 shell cracker fish. Supervisor Lawrence recalled that this was already approved. Mr. Kloptosky will proceed. Supervisor Chiodo felt that ponds were stocked every year. Mr. Kloptosky stated that different ponds were stocked and confirmed that he received no midge fly complaints from residents near the previously stocked lakes, nor had he received complaints about other ponds in the community.

Mr. Kloptosky reported that the contract with NexStar Electrical Contractors, LLC (NexStar) was executed and the supplies for the LED streetlight conversion were on order. Supervisor Davidson directed Mr. Kloptosky to draft an e-blast explaining the conversion project.

Mr. Kloptosky met with the Blue Ribbon Pools and CLI representative on September 22, 2015, regarding the pool surface issues. He advised of significant improvements in the remaining 25% portion of the pool but it was still not acceptable. Based on continued improvement at each inspection, the contractor wanted to wait three more months and, if necessary, another acid wash could be completed. The final payment of \$5,200 was still being held. Mr. Kloptosky will confirm when the warranty will become effective, which should be once the District accepts the project.

Regarding the bocce ball court renovation, Mr. Kloptosky indicated that he is ready to commence the project. He met with the bocce ball players regarding whether to install a clay or artificial turf surface. Mr. Kloptosky indicated the artificial turf product was changed and no longer has the same level of mold issues; however, he was not entirely convinced. He was awaiting the bocce ball players' preference before commencing work.

In response to Supervisor Davidson's question, Mr. Kloptosky indicated that, currently, there is one bocce ball court and one shuffleboard court; however, the plan was to eliminate the shuffleboard court, install two bocce ball courts and consider relocating shuffleboard, at a later time. Supervisor Davidson asked for the price difference between clay and artificial turf. Mr. Kloptosky stated a base price of \$15,707 for the stone veneer work, lathe and stucco, plus \$9,983 for clay or \$20,564 for artificial turf. Mr. Kloptosky noted that a clay surface requires more maintenance. Supervisor Davidson suggested keeping the clay court as a clay surface and installing the artificial turf on the converted shuffleboard court, as it already has a concrete base. Supervisor Lawrence voiced his opinion that shuffleboard players will like one court better and play on it so, essentially, there would be one court. Mr. Kloptosky felt that, if many players were playing at the same time, some would complain if they could not play on their preferred surface; he did not favor having two different surfaces. Mr. Ross stated that the players want clay surfaces. Mr. Kloptosky contended that Mr. Ross must know something that he did not, as the bocce ball players had not informed him of their preference. Mr. Ross indicated that the players told him that they preferred clay. Mr. Kloptosky indicated that, when he met with the bocce ball players, there was discussion about needing an automatic watering system, if clay was installed, which could change the cost, as an underground hydration system might be necessary. In response to Supervisor Lawrence's question, Mr. Ross noted that the existing bocce ball court is hosed down to hydrate it. Mr. Kloptosky stated that the bocce ball players wanted a less tedious system than using a hose. Several Board Members pointed out that the bocce ball players do not perform that work. Mr. Ross confirmed that the bocce ball court is watered every other day and it is not a difficult task. The Board confirmed that the courts should be clay. Mr. Kloptosky indicated that the quoted price did not include lighting or awnings. Supervisor Davidson remarked that, if lighting is installed at the bocce ball courts, it would be requested at the pickleball and Petanque courts; therefore, lighting quotes should be obtained for all three. Mr. Kloptosky recalled that the pickleball players did not want lights, as they do not play at night but



the bocce ball players requested lights. Supervisor Davidson suggested obtaining quotes for all three.

Regarding The Village Center renovations, Mr. Kloptosky reported that the ceiling was completed but there are a few issues with the lights, which the electrician will work on. He commented that the Grand Haven Room is very dated and complaints were received. Mr. Kloptosky wanted to wax the floors, paint the walls, redo the moldings by adding painted trim, install wall hangings, etc. He stated that the work could be funded through the budgeted amenity line item. Mr. Kloptosky already ordered new wall sconces for the room.

Supervisor Davidson suggested consulting an interior designer regarding the Grand Haven Room makeover, as the room currently is three different styles and nothing is tied together. Mr. Kloptosky preferred to provide the Board with his plans to update the room. To avoid a “cob job” effect, again, Supervisor Davidson wanted to consult a designer regarding updating both the interior and exterior of The Village Center to develop a coherent plan that could be phased in. Mr. Kloptosky insisted that he already implemented a plan for consistency, such as with the pergola and fountains, and has ideas for the exterior trim. Supervisor Davidson directed Mr. Kloptosky to present storyboards of his design plans.

In response to Supervisor Smith’s question, Mr. Kloptosky confirmed that, technically, the Grand Haven Room was able to be opened; however, he wanted to clean the room, wax the floor and resolve the light issue first. He hoped to officially open the room next week.

Regarding the landscape encroachments at 17 Blue Oak, 5 Ibis Court South and 11 River Park North, Mr. Kloptosky advised that letters were sent to the resident. He received calls from the residents at 17 Blue Oak and 5 Ibis Court South and told them to address their questions to the Board at the next meeting. Mr. Kloptosky stated the 11 River Park North residents emailed him, as they are out of town until mid-October and will contact him when they return.

Mr. Kloptosky received calls and emails from Cindy Gartzke, of ABM Security Services, Inc. (ABM), related to a resident who had both of his gate access devices (GADs) deactivated because he did not provide the CDD office with copies of his current vehicle registrations, despite receiving notice from the CDD office. He indicated that the resident refuses to enter on the guard side of the Main Gate. Instead, the resident will sit in the resident lane, causing traffic backups and demanding that the guards open the gate. Mr. Kloptosky stated that, due to the traffic backups, the guards eventually open the gate for the resident. Input from District Counsel was pending.

Supervisor Chiodo voiced his opinion that the entrance gates are an amenity; therefore, a warning letter should be sent to the resident, followed by suspension of amenity privileges, if he fails to comply.

Supervisor Davidson pointed out that, if the resident is creating a public nuisance by obstructing traffic on a public road, and District Counsel agrees that it is a public nuisance, the resident could possibly have his car towed and be arrested for creating a public nuisance. He noted that the District might need to revise the Amenity Rules to state that the resident gate can only be used by those with an authorized GAD issued to them; otherwise, the resident could question why he must use one gate, as opposed to the other.

Supervisor Lawrence suggested contacting the County and trying to obtain copies of the vehicle registrations. It was noted that the registration information is not public record. Supervisor Davidson stressed that the issue was that the resident was not cooperating. Mr. Kloptosky believed that law enforcement must actually witness the occurrence to do anything about it, which means that the Sheriff might not arrive in time to witness it. Ms. Higgins pointed out that, if the resident is in the lane, with the gate closed and vehicles behind him, he would not be able to leave.

Supervisor Smith agreed that District Counsel should be consulted but did not agree with involving the Sheriff, as he felt that was too complex. He supported warning the resident, followed by suspending amenity privileges, if the situation continues; if the resident wants to sue the District, he should “go right ahead”.

Mr. Kloptosky voiced his opinion that the resident was committing “staff abuse”.

Supervisor Davidson questioned the effectiveness of suspending amenity privileges if the resident does not use the amenities. Supervisor Chiodo felt that, if suspending privileges did not rectify the situation, the guards should call the Sheriff, the next time this occurs. Mr. Kloptosky was not aware of the resident utilizing the amenity facilities.

This matter will be included on the next agenda, pending input from District Counsel.

Supervisor Chiodo believed that the gate states “Resident Gate Only” and not “Resident Gate With A GAD”. If District Counsel approved, Supervisor Lawrence felt that there was no reason to delay sending the warning letter until after the next meeting. Supervisor Davidson questioned what constitutes authorization for District Counsel to send the warning letter and whether the Board must formally agree. Supervisor Lawrence reiterated his belief that District Counsel should immediately send the warning letter, provided the Amenity Rules contain

language allowing him to do so without first obtaining the Board's formal authorization, via motion. There was consensus from the Board on Supervisor Lawrence's suggested course of action.

Mr. Kloptosky reported that The Village Center roof leaks. The roof surface is Sealoflex<sup>®</sup>, which was installed in 2010 and carried a ten-year manufacturer warranty, which is still in effect. He advised that Quality Roofing repaired the roof six times; however, the labor warranty has expired. Mr. Kloptosky met with the Sealoflex<sup>®</sup> Waterproofing Systems (Sealoflex) representative, Mr. Steve Anderson, who examined the roof and agreed that there were issues. Sealoflex advised Mr. Kloptosky, via telephone, that they will have Quality Roofing resurface both roofs, at no cost to the District; written confirmation was pending.

Supervisor Lawrence asked if the warranty would be ten years from the new application. Mr. Kloptosky stated no, it would be under warranty for the remaining term of the original warranty.

Regarding holiday lighting, Mr. Kloptosky wanted to install LED uplighting at the entrances. The cost would be \$10,000 for all five entrances, which was on the Capital Improvement Projects (CIP) list but not approved, yet. A sample will be installed at the Main Gate and lit Thursday and Friday. The lights will be programmed to rotate through all of the colors; however, red and green could be programmed for the holidays. Mr. Kloptosky noted that the initial reaction could be that the uplighting is not bright; however, the sample is uplighting one tree but, once installed, all trees will have two LED uplights.

Supervisor Chiodo asked for the regular annual budget for holiday lighting. Mr. Kloptosky replied \$8,000; about \$1,000 is needed to light both amenity centers and the front fence with conventional bulb lights and the remaining \$7,000, which was the cost of labor to install lights around the community, could be eliminated from the budget. He wanted approval, at the next meeting, to proceed, under the CIP plan, in order to have the LED uplights installed by Thanksgiving evening. In response to a question, Mr. Kloptosky confirmed that the uplights would be permanently installed, replacing the existing landscape lights. Generally, the lights would be white but the colors can be remotely changed to coordinate with holidays, etc.

Regarding the Osprey Monument sign repair, Mr. Kloptosky signed the proposal and will send a deposit request to Management tomorrow. He asked Management to expedite the check, as the contractor will not order the materials until the deposit is received; work will commence in about two weeks.

Mr. Woodville recalled that Supervisor Davidson will not be at the next meeting. He noted that the residents with landscape encroachment issues might attend the meeting; therefore, he wanted to discuss the Board's position. Mr. Woodville spoke to one resident advising her that the District Horticulturalist found her landscaping beautiful; however, the problem is that, if the Board allows it in this instance, it would have to allow it for others.

Supervisor Davidson was unwilling to discuss this matter unless the residents were present. He voiced concern that Mr. Woodville contacted the resident ahead of time because there may be unintended communications that are perceived by residents. Supervisor Davidson preferred that District Counsel or District Management, as they are supposed to, and the residents attend a meeting to discuss the matter before the full Board. He did not want any beginning discussions beforehand, by any one individual.

Supervisor Gaeta was against addressing this at a meeting where the entire Board was not present. Supervisor Smith noted that this precedence could cause many items to be delayed, as Board Members occasionally miss meetings; furthermore, statutorily, the decisions can be made provided there is a quorum. Supervisor Gaeta questioned if the encroachment issues were so pressing that they must be addressed at the October meeting. Mr. Kloptosky already had conversations with two of the three residents and advised them that he could not answer any of their questions but suggested that they attend a Board meeting. Mr. Kloptosky stated that the primary concern was that the letter contained a deadline for the resident to rectify the matter or incur a cost because the District would take action. Mr. Kloptosky felt that the residents could be notified to attend the November meeting and extend the 30-day deadline. Supervisor Lawrence agreed with Supervisor Smith's position; the entire Board should not make different accommodations when a Board Member is out of town. Supervisor Davidson agreed with the position of Supervisors Smith and Lawrence; however, he was not happy about being away when the encroachment matters are discussed, Mr. Lagunchik might appear and the vote on the 9<sup>th</sup> Green site might occur. Supervisor Gaeta reiterated her opinion that, due to the importance of this matter, which would be relevant to the entire community, it would be in the Board's best interests to delay the matter until the November meeting, once Supervisor Davidson returns. Supervisor Chiodo noted that, if the matters will be delayed, those residents should be informed that the matters would not be discussed at the October meeting. Supervisor Smith asked if any Board Member was in favor of allowing the encroachments to remain. The other Board Members replied no. Supervisor Smith pointed out that, then, it did not really matter if one

Board Member was absent. Supervisor Gaeta argued that the Chair would be absent. Supervisor Davidson stated “That’s okay, this is the first time in almost eight years that I will have missed a meeting.....and I don’t think time should stand still if I’m not here, except for the issue of the 9<sup>th</sup> Green site.”

**FIFTH ORDER OF BUSINESS****DISCUSSION ITEMS****A. 2016-2018 Community Information Guide Updates [AH]**

Ms. Higgins was working with various printers and met with Class A this week, who is preparing a proposal. She wanted a printer with a laser press, which makes color processing more affordable. Ms. Higgins distributed proposed e-blasts for advertising and the photo contest, which were similar to the last time the Community Information Guide (CIG) was produced. She hoped to collect photographs during October and complete the voting by November 20, 2015.

Regarding advertising, Ms. Higgins planned to contact prior advertisers before sending the e-blast. Ms. Higgins recapped the advertisement purchasing process and ad locations within the CIG. Supervisor Chiodo supported maintaining the prior ad rates. Discussion ensued regarding the advertisement rates. Supervisor Lawrence recommended that the e-blast advise that ad positions were first come, first served.

Ms. Higgins recalled that the Board wanted to order 1,500 CIGs, as the 3,000 previously ordered were more than necessary.

In response to Supervisor Davidson’s question, Ms. Higgins confirmed that the advertising e-blast was sent only within Grand Haven and she made cold calls to businesses. Supervisor Lawrence suggested asking the Chamber of Commerce to send the information to its members or provide the list to the District. As an incentive, Supervisor Smith suggested giving previous advertisers first opportunity for their prior ad location within the CIG. Mr. Kloptosky inquired about offering previous advertisers a discount. Ms. Higgins felt that the ad prices were very reasonable and discounts were not necessary.

Supervisor Chiodo asked about the procedure for updating resident information, as he heard from residents who claim they submitted information that did not make it in to the last CIG. Ms. Higgins stated that the CDD office did not receive a lot of calls about that; 95% of the calls received were from those who did not turn in information or those who had incorrect information on their forms. Ms. Higgins stated that residents must submit updated information by December 31, 2015.

The following change was made to the proposed e-blast to residents regarding updating information:

Paragraph 3, Line 3: Change “is” to “are”

Ms. Higgins indicated that the Update Form was modified to include lines to check “yes” or “no” if they do or do not want their primary and/or alternate telephone numbers and/or email addresses included in the upcoming CIG. She wanted to include “Please list name exactly how you want it printed in the upcoming directory” under the “Name(s)” line. Ms. Higgins will inquire about the maximum number of characters allowed per line.

Regarding the photo contest, Ms. Higgins confirmed that the plan, again, was for residents vote. Supervisor Davidson recommended stating “No repeat photos”.

Ms. Higgins indicated that the end of March was the target date for completion and roll out. She noted that the lead time to print and receive the CIG would be four to six weeks; therefore, the CIG must be ready for printing by mid-February, which will be a tight schedule. Supervisor Lawrence recommended setting the target date as “2<sup>nd</sup> Quarter”.

**B. Long Term, Common Area Street Tree, Sidewalk, Gutter, Curb & Roadway Management Policy: Decision Tree [SD]**

Supervisor Davidson distributed an updated decision tree. He referred to the “Staff Inspection Trees, Sidewalks, Curbs, Gutters, Street Pavement” box and recalled Dr. Ed Gilman’s opinion, at the Symposium, regarding use of retardants to help slow tree growth.

Mr. Vic Natiello, a resident, was intrigued by Dr. Gilman’s comments about Cambistat<sup>®</sup> and totally disagreed with Dr. Gilman’s statement that it was an expensive product. He explained that Cambistat<sup>®</sup> is a distributor of paclobutrazol 22.3%, which is a solution used to retard tree and shrub growth; however, it does not work on certain trees, such as palms. Mr. Natiello noted that the solution works on oak trees. He indicated that the solution is manufactured by Green Leaf and distributed under different names, including Cambistat<sup>®</sup> and ShortStop<sup>®</sup>, which costs less than Cambistat<sup>®</sup>. Mr. Natiello asked questions of Plant Growth Management Systems (PGMS) and was awaiting written confirmation of the answers regarding the solution and potential issues. He pointed out that vegetation will only absorb what it needs; therefore, if too much solution was applied, it would not affect the vegetation any differently than a normal application; however, seepage into groundwater and other water sources must be considered. Mr. Natiello stated that it would cost \$18.49 to treat two 9” trees for at least two years, which he felt was not expensive. He admitted that the solution must be applied correctly.

Mr. Natiello was told that Cambistat<sup>®</sup> made many claims, which was good reason for Dr. Gilman to question use of it and why Dr. Gilman did not enthusiastically support it. PGMS advised Mr. Natiello that, typically, there is 50% retardant of the first plant growth cycle, up to 90% the second and thereafter, if the treatment continues.

Regarding the solution, Mr. Natiello indicated that Cambistat<sup>®</sup> cost \$320 for two liters but two quarts of another brand of the solution can be purchased for \$189, including shipping. He purchased the product and “can’t distribute it fast enough”.

In response to Supervisor Lawrence’s question, Mr. Natiello confirmed that the solution would “supposedly” retard growth on a 15-year-old tree. He felt that the solution would work in Grand Haven because the trees with the most issues are the types on which the solution would be effective.

Supervisor Davidson suggested that the District investigate this option, thoroughly, and hoped someone could be convinced to run a trial study in Grand Haven, at their expense.

Supervisor Davidson noted that a box named “Infrastructure Damage Anticipated Tree Growth Retardant” was added to the decision tree. It was noted that, in the second box from the bottom, “rehab” should be “rebar”.

Supervisor Chiodo observed sidewalk repairs on Waterside Parkway and asked if they were normal repairs or if mesh would be installed. Mr. Kloptosky stated that mesh was not planned; it would be completed, as usual, using rebar. Supervisor Chiodo pointed this out because the Board has not discussed whether to modify the common area sidewalk repair process. Mr. Kloptosky indicated that he proceeded with the current sidewalk repair due to a lot of input from residents regarding hazards on the sidewalk. Supervisor Chiodo felt that, in the near future, the Board should reconsider whether to adopt Dr. Gilman’s ideas for common area sidewalk repairs.

**\*\*\*The workshop recessed at 12:04 p.m.\*\*\***

**\*\*\*The workshop reconvened at 12:15 p.m.\*\*\***

Mr. Natiello noted that assuming sidewalk maintenance is not in the GHMA documents and the CDD has sovereign immunity, constructive notice and an established program, whereas, the GHMA would have to establish a program. He felt that it would be better for the CDD to assume responsibility but the CDD does not want to. Mr. Natiello recalled that certain sidewalks are the property owners’ responsibility. He advised that committees were formed, including the Architectural Design Committee (ADC), which will consider allowing and disallowing tree

removal for trees other than street trees and another committee to investigate better pricing for the sidewalks.

Dr. Rob Carlton, a resident, stated that the GHMA is considering four points to supporting property owners because, in relation to information from the symposium and residents, the GHMA Board continues its position that, with a few exceptions, sidewalks and trees are owned by residents. Regarding helping property owners, he explained that the GHMA is considering feasibility, such as facilitating sidewalk repairs on behalf of residents, coordinating effort and whether it would save residents money. Dr. Carlton stated that the GHMA will consider the criteria for removing yard trees and the ADC was tasked with developing the criteria. The GHMA will also investigate leaf removal on a more consistent and organized basis and organizing tree trimming efforts to reduce costs.

**C. Crescent Resources, LLC Litigation Settlement [SD]**

Supervisor Davidson indicated that the settlement funds received from the Crescent Resources, LLC litigation were unencumbered; therefore, those funds could be used to purchase Tract K without increasing assessments.

**D. 9<sup>th</sup> Green Site [SD]**

Supervisor Davidson recalled that the community was happy to hear that the District might purchase the property. The price was down to \$32,500, which is about \$7,500 above the \$25,000 valuation, according to the Property Appraiser. He felt that it was time to decide whether the District would purchase the property and that the Board exercised its fiscal responsibility in investigating the purchase. Supervisor Davidson did not want to spend money on an appraisal, which might interfere with the deal.

Supervisor Chiodo believed that Mr. Cullis' \$32,500 most recent price was fair; the differential between the \$25,000 appraised valuation and Mr. Cullis' \$32,500 price was not enough to merit an appraisal. He was in favor of purchasing the property for the \$32,500 asking price.

Supervisor Gaeta agreed with Supervisor Chiodo. She appreciated that Mr. Cullis' would pay the closing costs if he exercised his right to the drainage and conservation easements. Supervisor Gaeta felt that purchasing the property was in the best interests of the District.

Supervisor Smith recalled one of the Board's five-year objectives, which was to maintain and improve CDD assets. He viewed his role in that objective to be the naysayer on projects so that the Board truly maintains and improves assets any time the District has a major expenditure.



Supervisor Smith asked the Board to convince him of what the District will do with the property that is an improvement to the CDD's assets.

Supervisor Chiodo stated that the District could spend a minimal amount creating a park-like atmosphere on the property, which is near the Clubhouse, which would be available to all residents, providing a nice area for residents. Additionally, the property could potentially be used for an amenity.

Supervisor Davidson was unsure if it was true but remembered the possibility of up to four boat slips being installed, which he was against. He stated that purchasing the property would eliminate that possibility.

Supervisor Lawrence was conflicted about the purchase. He surmised that the purchase was under consideration because the nearby residents attended a meeting, en masse, and objected to Mr. Cullis potentially building four villas on the property, which equates to the District purchasing the property to placate a segment of the community. Supervisor Lawrence felt that it was tantamount to "purchasing property next to the airport and, the day you move in, you start lobbying to have the airport shut down because it makes too much noise". He saw no advantage to the CDD; rather, there was an advantage to a segment of residents.

Supervisor Gaeta felt that purchasing the property would allow the community to maintain the scheme put forth in the Symposium, relative to how residents want the community to look. She stated that the property is slightly over one acre and \$32,500 was a bargain price. Supervisor Gaeta felt that it could eventually be used for a park but, in the mean time, the property could become very valuable. The District could control development of the property; however, if the District does not purchase it, Mr. Cullis controls its development. She expressed concern and did not believe that spending \$32,500, given where the property is located, requires a great deal of justification. Supervisor Gaeta voiced her opinion that the property would be an asset to the entire community.

Supervisor Davidson recalled an idea of holding outdoor concerts on the property.

Supervisor Smith questioned whether the property is of value, now, since it is questionable whether it can be developed, as the City rejected the first attempt at development, due to an egress access problem, from a safety standpoint. He felt that the District purchasing private property was comparable to "land speculation" and wondered why the District wouldn't then want to purchase other empty lots.

Supervisor Davidson pointed out that the property is connected to a CDD-owned parking lot; therefore the District would not have the access issues that a developer would encounter.

Supervisor Smith questioned whether the price was “cheap” and noted that other residents, such as the Croquet Club, might prefer that the \$32,500 be spent on a croquet court, rather than on the additional property. He felt that it might be cheap relative to land values for home lots. Supervisor Smith voiced his opinion that the Board must compare it for other uses of the \$32,500. He would be more comfortable regarding the objective, if there was a definitive plan and if the Board had gone through the thought process to define what would be done with the property, which would give the purchase a purpose, rather than purchasing the property to block a potential use of it. Supervisor Smith was conflicted about the purchase and stated “I’m not sure that is really what the scope of this Board is about.”

Supervisor Gaeta pointed out that many of the things the District has now were not envisioned when she joined the Board five years ago and asked Supervisor Smith to consider the future. She expressed concern that someone else would buy the property and develop it into something that the District would not be happy about. Supervisor Gaeta felt that the price was not significant and the property could be purchased without increasing assessments.

Having attended all of the City’s meetings regarding this issue, Supervisor Chiodo was convinced that the only reason the City denied Mr. Cullis’ request was because of the Grand Haven resident and CDD representation.

Supervisor Davidson liked the concept of developing possible uses for the property before committing to the purchase and felt that it likely has multiple uses, now or in the future.

Mr. Kloptosky thought that the property could be used for a park, a picnic area, a gazebo, etc.; it would be a matter of improving the appearance. He felt that the price was good and the community could benefit, even if the purpose of the property is not known.

Supervisor Davidson suggested that the District Horticulturalist and Landscape Illustrators view the property and prepare a simple mockup of what the site could be turned into with minimal money and time, to put the property in to community service. He wanted to be present for the vote on the purchase and asked that it be considered at the November meeting.

Supervisor Chiodo pointed out that the District has virtually no other common areas to expand amenities and, if more were installed on property currently owned by the CDD, there would not be enough parking. He wondered if a croquet court could be installed.

Mr. Kloptosky confirmed that the property is large enough for a croquet court. He felt that not purchasing the property would be a lost opportunity, as the community continues growing.

Dr. Carlton questioned why the Board negotiated for one and a half years, if it did not want to buy the property.

Mr. Woodville indicated that the District can only purchase the property if it is for a public purpose. He noted that, originally, Mr. Kloptosky suggested this property, as The Village Center could reach capacity for parking and amenities as the community grows and courts could be relocated onto that property. Mr. Woodville recalled that Mr. Clark strongly recommended obtaining an appraisal so the District could accept Mr. Cullis' offer, contingent upon the appraised value being equal to or greater than the purchase price.

Supervisor Davidson voiced his understanding that, if the appraisal was lower, the District could not spend any more. If an appraisal could "kill the deal", he was not in favor of obtaining one. Supervisor Gaeta thought that an appraised value was simply an appraisal but not the purchase price. Mr. Woodville stated that he was reiterating what Mr. Clark told him; Mr. Clark recommended that an appraisal be obtained and the District could accept Mr. Cullis' price, subject to the appraisal, provided the appraisal was at least the amount the District was paying for the property. Supervisor Davidson wanted Mr. Clark to make that statement, in person, so the Board could question him at the next meeting. In response to Supervisor Chiodo's question, Mr. Woodville recollected that the appraisal would cost nearly \$2,000. Supervisor Davidson stressed that the Board said no to an appraisal because it could be a potential deal breaker.

Supervisor Gaeta agreed with Dr. Carlton. The Board has discussed this over and over and she felt it was time to make a decision.

Supervisor Davidson reiterated his suggestion that Mr. Kloptosky obtain a mock up of potential uses for the property and that the matter be voted on at the November meeting.

**E. Sidewalk Repair (Before/After Tree Symposium) [RS]**

Supervisor Smith indicated that before and after photographs of sidewalk repairs in Grand Haven were provided to Dr. Gilman, following the Symposium.

**F. Update: Maintain/Improve CDD Assets [RS]**

Supervisor Smith reiterated that, in order to achieve his objective to maintain and improve CDD assets, he would be the counterbalance to proposals before the Board and would be more comfortable with the purchase of the property if the Board had a tentative, or "first

purpose” plan for it. He wanted a reason and use for the purchase, other than to block some other use of the property. Supervisor Smith reminded the Board that acting as the counterbalance will be his mode, going forward.

Regarding the property, Supervisor Gaeta voiced her opinion that, sometimes, one must spend money to ensure certain things do not occur. This matter relates to a valuable piece of property and the community could be adversely affected if the District does not purchase it.

Discussion ensued regarding whether the golf course wanted the property. Supervisor Gaeta believed that the golf course was not currently interested. Supervisor Smith felt that the property was most valuable to the golf course. Supervisor Smith noted that the golf cart path might pass through the property.

In response to Mr. Woodville’s question, Supervisor Davidson confirmed that, on rotation, one Board Member will speak to their objective at each workshop and each meeting; the updates would not be only at meetings.

Supervisor Lawrence asked Supervisor Smith to prepare something, in writing, about what each initiative means. Supervisor Smith would prepare the information for his objective and recommended that each Supervisor do the same for their specific objectives.

**G. Purchase of Dr. Ed Gilman’s Book [SD]**

Supervisor Davidson indicated that Mr. Kloptosky will order one of Dr. Gilman’s books, for reference purposes. He will ask Dr. Gilman which book would be most beneficial.

**SIXTH ORDER OF BUSINESS**

**UPDATES: District Manager**

- **UPCOMING MEETING/WORKSHOP DATES**
  - **BOARD OF SUPERVISORS REGULAR MEETING**
    - **October 15, 2015 at 10:00 A.M.**

Mr. Woodville indicated that the next meeting will be held on October 15, 2015 at 10:00 a.m., at this location. The trespass issue will be discussed at that meeting.

- **COMMUNITY WORKSHOP**
  - **November 5, 2015 at 10:00 A.M.**

The next workshop will be held on November 5, 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**

Supervisor Davidson distributed information from Mr. Fred Herndon, a resident, regarding pedestrian and/or sidewalk maintenance. He stated that this information should be reviewed by District Counsel; however, the District would incur legal expenses to have District Counsel review it. He felt that the entire Board should first review Mr. Herndon's information and then determine if it merited incurring legal expenses.

Mr. Herndon noted that State Attorney General opinions already exist; however, those opinions are outdated. He felt that the District might be able to ask that agency for an opinion.

Supervisor Davidson asked if the Board wanted to expend funds to have District Counsel review Mr. Herndon's information.

Supervisor Lawrence asked Mr. Herndon what he foresaw happening that he did not believe should happen; what change did Mr. Herndon want and where was he going with this research.

Mr. Herndon stated that easement control, sidewalk insurance and responsibility matters changed since 1997; there are many opinions that decisions were made on but the District is "missing out" on the "changing history of law". He voiced his opinion that the District is not up-to-date. Mr. Herndon stated that the District's documents are missing the statement that "a common element is public", in other words, the dedication to something to the public, becomes a common element. He indicated that it cannot be traced from "when it occurred or when that statement became law, all the way through today's environment."

Supervisor Gaeta questioned why the District needs to trace it.

Mr. Herndon replied because the District is out-of-date when property values and future title, at the end of 30 years, may depend on it.

Supervisor Gaeta felt that this issue was not a CDD Board responsibility.

Mr. Herndon stated "it is if you own it"; the subject is who owns what part.

Supervisor Gaeta indicated that it was outlined when property owners chose to purchase in Grand Haven. She recalled receiving documents and knew that she bought into a CDD development and all that it encompassed.

Mr. Herndon questioned if property owners received all documents.

Supervisor Gaeta explained that Florida is unique, relative to DRIs, HUDs and EBOs. She read Mr. Herndon's documents and his claim that Crescent did not go bankrupt. She indicated that there were two Crescents.

Mr. Herndon stated that his claim was that Grand Haven Developers did not go bankrupt, which is "a big difference when you start tracing it back to origination".

Supervisor Gaeta discussed the development companies and asked Mr. Herndon what his "end game" is in this matter.

Mr. Herndon did not understand and asked who filed the document with the County because it was not LandMar. He stated that there are no LandMar titles but there are Grand Haven Developers on record as owning the deeds, there are Grand Haven Properties who received everything.

Supervisor Gaeta asked Mr. Herndon if he discussed his concerns with the Property Appraiser. Mr. Herndon replied no but he planned to.

Supervisor Davidson asked if it was the will of the Board to expend public funds for District Counsel to analyze Mr. Herndon's information.

Supervisor Gaeta stated that, during the Fiscal Year 2016 budget discussions, the Board decided to decrease the legal budget. She felt that this matter was not inherent or in the best interest of the community and did not want to money on this. Supervisor Gaeta noted that Mr. Herndon could hire his own counsel to review the documents, at his own expense, and, if any of the findings are addressable, he could present them to the Board.

Based on the information, Supervisor Smith could not determine if he was concerned.

Mr. Herndon asked who owns the "dominant easement all over Grand Haven".

Supervisor Smith was hesitant to spend District funds for District Counsel to "go on a fishing trip that is very, very broad and very, very deep". He stated that the documents do not contain a clear concept to grasp; however, he would be willing to pay for District Counsel's opinion, if Mr. Herndon provided a condensed, one page summary of his points, concerns and evidence.

Mr. Herndon stated that, when each village was developed, the first 14 or 15 created village HOAs and, at some point, they merged into the GHMA and the GHMA assumed everything, including easements. Around 2001, part of the law changed and there was a progressive change in the way plat maps and associations were built. The GHMA started assuming a village when it was completed. When the bankruptcy occurred, a deed was written to

Grand Haven Properties that now states that they own all of the easements. Mr. Herndon asked “where does that leave us as a property owner?”

Supervisor Smith asked Mr. Herndon to condense his information to one or two pages, with the relevant references. If District Counsel could review the information in one hour, and render an opinion, Supervisor Smith would support having it reviewed by District Counsel. Supervisors Lawrence, Chiodo and Gaeta concurred.

**NINTH ORDER OF BUSINESS**

**ADJOURNMENT**

There being nothing further to discuss, the workshop adjourned.

**On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, with all in favor, the workshop adjourned at 1:10 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



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Secretary/Assistant Secretary



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Chair/Vice Chair