

**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, April 7, 2016**, 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 (<i>via telephone</i>)	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Barry Kloptosky	Field Operations Manager
Ashley Higgins	Grand Haven CDD Office
Robert Ross	Vesta/AMG
Roy Deary	Vesta/AMG
Don Plunkett	Resident
Jim Gallo	Resident
David Alfin	Resident
Ron Merlo	Resident
Rob Carlton	Resident, GHMA President

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the workshop to order at 10:02 a.m., and noted, for the record, that Supervisors Davidson, Chiodo, Gaeta and Lawrence were present, in person. Supervisor Smith was attending via telephone.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD OF BUSINESS

UPDATES: Amenity Manager

There being nothing to report, the next item followed.

FOURTH ORDER OF BUSINESS**UPDATES: Field/Operations Manager**

Mr. Kloptosky received many calls regarding the midge fly issue on Pond 1. The oxygen levels in the pond were tested on February 15 or 16, in five locations and at different depths; the oxygen levels were adequate, according to the report. The pond will be tested again in a few months. The majority of resident complaints were nearest the fifth testing location. Residents were advised that spraying midge flies is expensive and is only effective for a few days. The ponds were stocked with shellcracker fish in August 2015 and test results revealed adequate oxygen levels to support shellcracker fish; however, it takes one to two years for the shellcracker fish to mature enough to be effective. He indicated that 2,200 fish were stocked in Pond 1 and 500 in Pond 2. Mr. Kloptosky expected many residents to attend the next meeting to express their concerns about midge flies.

Supervisor Smith asked how much it costs to spray for midge flies. Mr. Kloptosky stated that it depends upon the size of the pond. An estimate from several years ago, for a pond smaller than Pond 1, was about \$3,000 for one spraying, which would be effective for about three days; therefore, it was not a cost effective remediation method.

Supervisor Davidson suggested holding an informational symposium for the entire community, specifically, those residents affected by midge flies, to explain that there is no simple solution to the midge fly issue and it would cost approximately \$50,000 to aerate Pond 1, alone. Spraying would require the District to spray the common areas, with individual property owners spraying their property, simultaneously, which would only be effective for a few days.

Supervisor Lawrence recommended e-blasting a one-page informational summary of the situation. Supervisor Davidson preferred the symposium approach. Supervisor Lawrence believed that residents think the District is not doing everything that it can; therefore, the District should provide residents with the facts.

In response to Supervisor Smith's question, Mr. Kloptosky stated that six ponds were stocked with shellcracker fish. The District has approximately 50 ponds, including the golf course. Supervisor Smith suspected that, if the issue was alleviated in one area, midge flies would migrate to another area, and suggested proactively stocking all ponds with shellcracker fish. Supervisor Davidson pointed out that it would cost \$1,500 to \$2,000 per pond to stock

shellcracker fish and questioned “proactively” spending a large amount on areas that are not currently affected by midge flies.

Supervisor Lawrence wanted a midge fly expert’s opinion of what causes midge fly issues in some ponds and whether midge flies would, eventually, spread to other ponds. Mr. Jim Gallo, a resident, asked about stocking more mature shellcracker fish. Mr. Kloptosky stated that mature fish are a lot more expensive. Supervisor Lawrence noted that, typically, only fingerling size fish are stocked. Mr. Don Plunkett, a resident, spoke of a study underway, in a community, where bat houses were installed in one area but not another and the area with the bat houses had no insect issues, while insect issues persisted in the area without bat houses.

Mr. Kloptosky indicated that The Village Center bathroom cabinets and granite were ordered. Regarding the Pump House Maintenance Plan, the contract for service twice per year, at a total cost of \$900, was sent to the vendor for review. The District Manager was preparing a notification letter to Escalante Golf (Escalante) regarding the shared cost for maintenance services. The maintenance dates will be scheduled once the contract is received from the vendor. The composite benches and trash receptacles, previously authorized, were ordered. The original quote was reduced from \$32,359.20 to \$28,807.64.

Mr. Kloptosky reported that the Creekside rear parking lot project commenced on April 4; the bus stop was relocated for the duration of the project. Supervisor Davidson questioned if the new location would be a more desirable, long-term location. Mr. Kloptosky stated that the new location is dangerous, as well; however, it is better because children congregate on the sidewalk on the exit side. Supervisor Davidson wondered if the District could expand the concrete pad and create a safer waiting area for the school bus. Mr. Kloptosky believed that there was room to do so, as there is an easement over a portion of the property at that location. Supervisor Lawrence suggested installing signage about the bus stop.

Supervisor Chiodo recalled discussion about allowing vehicles to park along Marlin Drive, during the Creekside parking lot project. Mr. Kloptosky indicated that it was a consideration, along with another location; however, residents were not receptive to walking across the street. Regarding posting a guard on Marlin Drive for two hours in the morning and two hours in the afternoon, Management was having difficulty finding a company that would provide that type of split service. The CDD office received resident inquiries about where to park and Mr. Kloptosky instructed his staff to “not to tell residents where to park”; residents should park where they feel safe, if the resident wants to park and walk.

Mr. Kloptosky reported that lights for the Creekside rear parking lot were ordered; \$15,500 was budgeted for the purchase and installation; the electrical cost for installation was \$11,419.35, resulting in a savings. The Esplanade footbridge repair was underway. Ms. Jessica Beach, of the St. John's River Water Management District (SJRWMD), will provide possible solutions to the erosion issue, at the footbridge. The Village Center bocce ball court work was delayed due to the delays in receiving the composite material for the backboards.

Regarding a previous letter about speeding on Sailfish Drive and subsequent presentation by the Flagler County Sheriff's Office (FCSO), which concluded that there were no speeding issues on Sailfish Drive, a resident requested a letter reporting the results of the FCSO's study. The District Manager will prepare and send a letter to the resident.

Supervisor Davidson recalled discussion about whether the landscape contractor had a truck to vacuum leaves. Mr. Kloptosky discussed the leaf issue with Yellowstone Landscape (Yellowstone) and, while Yellowstone does not have the type of vacuum truck discussed, Yellowstone could subcontract the work; Yellowstone will submit a proposal for leaf removal. Supervisor Davidson suggested contracting with Yellowstone's subcontractor, directly, to avoid the 10% markup that Yellowstone would charge. Supervisor Lawrence felt that it was not practical for the CDD to remove leaves because once or twice per year would not be enough.

Supervisor Chiodo recalled discussion, several months ago, about installing signage, at the North and South Gates, advising drivers of where the Main Gate is located. A sign was erected at the South Gate; however, it is inside the community; a sign outside of the gates would be more effective. Supervisor Lawrence pointed out that it was within Mr. Kloptosky's scope to proceed with the project without Board approval.

Supervisor Gaeta noticed residents, at the North and South Gates, using their gate remotes to exit, which allows people to enter, and questioned if another sign should be installed or if a reminder could be placed in The Oak Tree. Supervisor Davidson stated that an article could be included in The Oak Tree.

FIFTH ORDER OF BUSINESS

DISCUSSION ITEMS

Regarding Item G., Mr. Deary stated that Vesta/AMG was willing to offer suggestions for the former 9th Green site, if requested.

- A. Continued Discussion: Village Centre Moisture Intrusion Remediation**
 - i. Terracon Consultants, Inc., *Design Services Fee Proposal***

ii. Terracon Consultants, Inc., *Stucco Replacement Locations & Square Footage***iii. JP Renovations, LLC, *Scope of Work***

Mr. Kloptosky voiced his opinion that everything presented was conceptual and “a guess”, the estimate was high and the cost would be much lower, when bid. He believed that the Terracon Consultants, Inc. (Terracon) \$38,000 fee was high. Mr. Kloptosky asked Terracon to separate the proposal into the following categories:

1. Stucco removal and replacement.
2. Trim banding and exterior work.
3. Stonework.
4. Painting.

Mr. Kloptosky reviewed the cost estimates for each category and noted that, in the future, the columns around the building must be repaired or replaced, which was not included in the estimate for the stucco work and would be a separate project. The estimate for painting the building was \$37,625 but Mr. Kloptosky was confident that he could find a contractor to paint the building for less. He felt that the stonework could be completed for less than the estimate, and that the trim banding and exterior work might be less, as well. Mr. Kloptosky had a major issue with the \$148,030 estimate for stucco removal and replacement and suggested obtaining opinions from other stucco contractors to determine if the estimate is accurate.

Noting Mr. Kloptosky’s opinion that the painting estimate was too high, Supervisor Gaeta wanted assurance that Mr. Kloptosky would obtain “apples-to-apples” estimates from the contractors he planned to contact, as the estimate was for a higher quality paint.

Mr. Kloptosky voiced his opinion that it is difficult to find a building contractor to complete a project such as this because they are busy. He stated that he would delete the cost estimates and provide the other contractors with the scope of work previously obtained. Mr. Kloptosky reiterated his belief that Terracon’s \$38,000 fee was very high. He noted that other contractors charged lower fees to oversee other types of project that were smaller in scope; however, despite the larger scope of work for this project, he strongly believed that the project does not warrant Terracon’s \$38,000 fee.

Supervisor Lawrence asked if the proposal was to remove stucco from all of the walls. Mr. Kloptosky replied no. The estimate was mostly for exterior walls, the interior A-frame side and the front but did not include the interior walls. Mr. Kloptosky acknowledged that the stucco

on the interior walls was not delaminating; therefore, the Board must determine whether to spend more to complete everything, at one time.

Supervisor Davidson asked what areas were not included in the estimate. Mr. Kloptosky stated that the breezeway, back breezeway and the interior walls around the pool were not included, with the exception of the A-frame wall with the arch. In response to Supervisor Lawrence's question, Mr. Kloptosky confirmed that the interior walls were covered by a roof; therefore, water intrusion issues would not occur as quickly as in exposed areas. Supervisor Lawrence favored completing everything, now, if the same issue would occur on the interior walls within five years. Mr. Kloptosky stated that water intrusion and delamination was not found in the interior walls, underneath the arches and voiced his opinion that, currently, those areas do not require repair. Supervisor Lawrence wanted to know if those areas would need to be repaired within the next five to ten years. Mr. Kloptosky did not know but was confident that the area would last at least five more years. Supervisor Lawrence surmised that those areas would likely last until the next time the building was painted. In Mr. Kloptosky's experience, it is not a problem to complete the other sections, years later, if necessary.

Supervisor Smith agreed that it was not necessary to complete the areas that were not included in the estimate and Terracon's \$38,000 fee for engineering services was too high and deferred to Mr. Kloptosky to determine what would be an appropriate fee for engineering services. Supervisor Gaeta noted that Terracon's documents referred to Genesis as the client, not the CDD, and questioned if the District Engineer was receiving a fee from Terracon.

Mr. Wrathell stated that Terracon is an engineering firm so, under the Consultants Competitive Negotiations Act, if the project does not flow under the District Engineer, the District should follow the Request for Qualifications (RFQ) process because the project would exceed the cost threshold. One advantage to having Terracon work under the District Engineer would be that the District could require the District Engineer or Terracon to certify the project. Mr. Wrathell noted that a certification from Terracon that the project was properly constructed and completed would have value because the District could pursue Terracon, if there were any design issues. In construction of new infrastructure, the engineering fee is generally 12% to 15% of the cost of the construction; therefore, if the construction cost was \$195,000, an engineering fee of 15% would be approximately \$30,000. Mr. Wrathell felt that the District might be able to negotiate a lower engineering fee but cautioned that the lower cost should not be at the expense

of losing the engineer's certification of the project. Mr. Kloptosky agreed that an engineer's certification was important.

In response Supervisor Lawrence's question about Terracon's \$38,000 fee being a lump-sum payment, Mr. Kloptosky stated that he would never agree to a one-time payment; he would release funds, as the engineering work was completed.

Supervisor Davidson had issues with spelling and punctuation errors throughout Terracon's report. He voiced his opinion that Item 1 was already completed, Item 2 does not exist and Items 4, 5, 6, 7 and 10 were not necessary, which would reduce the engineering fee by approximately \$13,000. Regarding Terracon's commitment to inspect the work, daily, Supervisor Davidson felt that it was not necessary for Terracon to inspect the work being performed because Mr. Kloptosky would inspect it. Mr. Kloptosky cautioned Supervisor Davidson about presuming that the District could avoid having Terracon inspect the work because, if Terracon is not allowed to inspect the work, Terracon will not certify the project. Supervisor Davidson stated that he would not cut out that item, entirely but would eliminate the "intermediary, day-to-day, little nickel-and-dime" things that add up to a lot; he believed that the District should not pay Terracon for those types of activities. Supervisor Lawrence agreed with Mr. Kloptosky's opinion that, if the bulk of the activities under Item 10 were cut, Terracon will not certify the project. Supervisor Chiodo concurred. Supervisor Davidson stated that, by eliminating the items, the engineering fee would be \$25,000, which he believed was still high but more reasonable. Supervisor Davidson wanted to "negotiate out" so that Terracon only performs the work necessary for them to certify the project, at a not-to-exceed cost of \$25,000. Mr. Wrathell recommended that Mr. Kloptosky negotiate with Terracon to negotiate a balance between lowering the price and Terracon still agreeing to certify the project. Mr. Wrathell agreed that Terracon would require site visits if the District wants the project certified. Supervisor Davidson questioned why Terracon would need to oversee the Request for Proposals (RFPs), conduct a preconstruction conference and review the bids. Mr. Wrathell stated that it is common to have preconstruction meetings with projects of this complexity; the work proposed by Terracon is common. Mr. Kloptosky was not attempting to reduce the engineering fee to \$12,000 to \$15,000 but he was concerned about the obvious redundancy in the contract and, if not confronted about those redundancies, Terracon will not reduce its price. Mr. Kloptosky was confident that he could convince Terracon to reduce the engineering fee to at least below \$30,000, without cutting any items, because Terracon would likely not certify anything cut from

the scope. Supervisor Davidson wanted an engineering fee of not-to-exceed \$25,000, equating to approximately 10% of the project cost. Mr. Wrathell felt that an engineering fee of 15% of the project cost was more appropriate not-to-exceed \$32,000. If the District will not be able to obtain an engineer's certification, Mr. Wrathell recommended requiring the contractor to bond the project. Mr. Wrathell reiterated the importance of an engineer's certification and likened part of the engineering fee to buying insurance. Regarding Supervisor Davidson's opinion that it would not be necessary to involve Terracon in the RFP and bid review, Mr. Kloptosky pointed out that Terracon must review those items, as well, because Terracon would create the RFP, based on the scope of work that they created. Mr. Kloptosky felt that removing Terracon from any step in the process could give Terracon a reason to refuse to certify the project; the engineer's certification is the most important aspect of the project. Mr. Wrathell concurred that, the more that is excluded, the more "outs" the engineer would have. Mr. Kloptosky reiterated his goal to negotiate a lower fee that includes everything in Terracon's proposed fee. Mr. Kloptosky pointed out that Terracon is a structural engineering firm.

Supervisor Chiodo objected to the term "Clubhouse", on Page 1, of the JP Renovations, LLC, (JP), document and requested that the name be changed to "The Village Center", as residents associate the term clubhouse with the golf course. Supervisor Lawrence felt that the term "renovation" should be changed to "rehabilitation".

Supervisor Gaeta asked how long the gates would be removed. Mr. Kloptosky stated that it could be a while so a temporary method of securing the building and pool would be necessary. One possibility would be installing temporary wood walls with a door that could be locked; CDD staff could build the wall. In response to Supervisor Gaeta's question about contacting the District insurance carrier, Mr. Wrathell explained that the contractor would be required to name the District as an additional insured.

B. Continued Discussion: Updates for Rules of Procedure, Chapter VI, Relating to Management of Stormwater Systems, Easements, Ponds and Pond Banks

The following changes were made to Chapter VI:

Page 1, Item 1.6, Line 2: Change "ground cover" to "plantings"

Page 2, SECTION 5, Line 4: Insert "," after "(MADC)

Page 3, SECTION 2, Line 5: Change "MHOA" to "GHMA"

Page 3, SECTION 2, Line 13: Change "HOA" to "GHMA"

i. Policy for Stormwater Right-of-Way Utility Easements

The following changes were made:

Page 1, Bullet Point 4, Line 6: Insert “or Modification Architectural Design Committee (MADC), as is appropriate,” after “(NCADC)”

Page 1, Paragraph 2, Line 2: Change “right- of” to “right-of”

- **Obstructions Removal Agreements**
 - **Option 1**

No changes were made.

- **Option 2**

Page 3, Item 12, Line 1: Delete one space before “Should”

ii. Policy for Clearing Development and Planting of District-Owned Detention Pond Lake Banks

No changes were made.

iii. Best Management Practices for Storm Water Detention Pond Bank Plantings

No changes were made.

C. Continued Discussion: Updates for Rules, Policies and Fees for all Amenity Facilities

In response to a question regarding the “Revised” date, Mr. Wrathell stated that the word the word “Revised” and revision date could be removed and the “Adopted” date would be the date of the public hearing.

Ms. Higgins confirmed that the document would be included in the Community Information Guide (CIG), once adopted.

Supervisor Gaeta asked about including language stating that drones are not allowed. Ms. Cerbone recalled District Counsel’s past comment that, since the laws were currently unclear about drones, except regarding the FAA, the District should not include drones, at this time.

Page 15, Item (9), Line 2: Change “hoverfboards” to “hoverboards”

Page 16, Item (4), Line 2: Change “hoveboards” to “hoverboards”

Regarding the Fishing Policy, on Page 25, Supervisor Smith felt that the policy should be communicated to residents, specifically, the policy that fishing is not permitted in areas behind a home, between the lake/retention pond and private property. Supervisor Davidson stated that an article about the recent revisions to the Amenity Policies could be included in The Oak Tree.

In response to Supervisor Davidson’s question, Mr. Wrathell confirmed that the public hearing was properly noticed for April 21.

D. Continued Discussion: 2016-2017 Roadway Resurfacing

Mr. Kloptosky stated that the District Engineer was drafting the Request for Proposals (RFP).

E. Discussion: CIP

Mr. Kloptosky pointed out that the “Expand Storage (18ft X 19ft)” line item was not approved; the Board previously deferred approval because of the stucco project.

Supervisor Gaeta referred to the “Purchase concrete mixer (evaluate cost vs contract work)” line item and asked if prices were obtained and whether the District needed a concrete mixer. Mr. Kloptosky stated that purchasing a concrete mixer was under consideration, as a CDD staff member was experienced in concrete work so sidewalk repairs could be completed in-house; however, there is currently not sufficient man-power to perform sidewalk repairs in-house, along with staff’s other responsibilities.

Supervisor Gaeta asked why the “Rejuvenate coquina path along ditch 10” line item did not have an amount and asked if the project was being considered. Mr. Kloptosky obtained estimates but the cost was approximately \$30,000. The path was reevaluated and isolated areas need to be addressed but Mr. Kloptosky believed that it was not necessary to address the entire path. CDD staff scraped and top-dressed the path, near Ditch 10. Estimates will be obtained for repairs in other areas. Supervisor Lawrence surmised that the line item could be removed from the list. Mr. Kloptosky concurred.

Regarding the concrete mixer, the line item will remain on the list and Mr. Kloptosky will research the cost to purchase or rent a concrete mixer.

In response to Supervisor Gaeta’s question, Supervisor Lawrence confirmed that the “Replace/add benches/garbage pails WSP, VC, CAC, Esplanade)” line item amount would be changed from \$32,359 to \$28,807.64.

Mr. Kloptosky recommended adding a column to the Capital Improvement Plan (CIP) projects list reflecting the savings realized from the budgeted estimate and the actual cost. Mr. Wrathell pointed out that Mr. Kloptosky already presents the savings during his annual report.

Supervisor Lawrence stated that, since Fiscal Year 2013, the District was able to accumulate reserves of \$531 million, due to CIP cost savings, based on budgeted costs and actual costs; however, some projects that were previously budgeted but not completed will be completed. Cost savings during Fiscal Year 2016 were anticipated, as well. Based on the Committed, Assigned and Unassigned Fund Balances, \$270,000 of reserve funds could be used

to fund The Village Center water intrusion stucco project and the District would still have about \$945,000 remaining in reserves. In response to a question, Mr. Kloptosky voiced his opinion that the project would probably cost less than \$270,000.

Supervisor Smith asked for an estimate of the cost for the beams and pillars outside the Village Center doors. Mr. Kloptosky stated that an estimate is needed for the vertical beam with the column; nothing is wrong with the upper header and rafter beams. Mr. Kloptosky was speaking about replacing vertical columns around the building. Mr. Kloptosky believed that the cost would be less than \$100,000.

******The meeting recessed at 12:04 p.m.******

******The meeting reconvened at 12:21 p.m.******

▪ **Update: Cell/Communication Tower**

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

Supervisor Smith indicated that the County approved the permit for construction of a cell tower, along Colbert Lane; however, none of the three major cell providers sought to put their cell transmitters on the tower. Construction of the cell tower will not proceed until a cell provider commits. In her email, Ms. Holly Valdez, of RG Towers, LLC, asked that residents not complain to the City or County, as the delay is not their fault, and recommended that residents contact their providers about the poor service. Supervisor Smith suggested sending an e-blast to the community or publishing the information in The Oak Tree. Supervisor Gaeta referred to construction of a monopole in another area, involving the City, which is unrelated to this project. Supervisor Smith will draft an e-blast and article for The Oak Tree.

F. Discussion: Employee Health Insurance Benefits

Mr. Wrathell distributed and reviewed the GHCCDD Health Coverage Options Summary. Per the Board's prior request, all of the plans presented were POS plans, which are the equivalent to a PPO, not an HMO. Of the options presented, two FL Blue plans have the lowest deductible and out of pocket maximums; those are the "richest" plans available in the market.

Supervisor Lawrence's perception was that the FL Blue network was large enough; therefore, most people could stay "in network" unless they had a special medical need. Mr. Wrathell did not know but, in his experience, FL Blue typically has a large network; however, it might be different in the Palm Coast area. Supervisor Gaeta pointed out that Aetna is in the process of buying out Humana and there are limited choices in Flagler County. Mr. Wrathell noted that this summary only includes the best options for the CDD.

Mr. Wrathell indicated that dependant coverage was not included on the summary for today's discussion.

In response to Supervisor Gaeta's question regarding deductibles, Mr. Wrathell stated that doctor visits, prescriptions, etc., involve co-pays, which go toward the deductible but the deductible comes into play more with other medical events, such as a hospital stay.

In response to Supervisor Smith's question, Mr. Wrathell reiterated that the average cost per employee, listed on the summary, did not include the costs for dependant coverage.

Mr. Wrathell indicated that the purpose of this presentation is for the Board to begin thinking about what type of plan to offer and how much the District would contribute to the premium.

Supervisor Davidson surmised that the Board must first determine a not-to-exceed amount that the District would pay toward the premium.

Mr. Wrathell stated if the Board selected the FL Blue All plan, which is the "richest" plan, at \$705.61, per month, per employee, the cost would be \$4,233 per month, equating to a new \$50,803 per year expense to the District, less the current reimbursement amount that the District pays to Mr. Kloptosky to obtain his own health insurance.

Mr. Wrathell posed the following questions:

- A. Does the District want to go with the "best bang for the buck" plan that has low deductibles and out of pocket maximums?
- B. How much does the District want to contribute for employee coverage?

Supervisor Lawrence pointed out that the annual cost for the FL Blue All plan, versus the other FL Blue plans, is about \$6,000 per year; therefore, the Florida Blue All plan should be selected because the extra cost would be minimal, compared to the increased level of coverage.

Supervisor Gaeta recalled that, for several years, the District has paid for 50% of Mr. Kloptosky's health coverage, including his spouse. She questioned which plan would work best for Mr. Kloptosky or whether the District would offer Mr. Kloptosky a different option than the other five employees.

Mr. Wrathell voiced his understanding that, once a group plan is offered, it must be offered to all employees but an employee could decline coverage. Supervisor Davidson asked if the District could offer more than one group plan and allow employees to select from those plans. Mr. Wrathell stated that it is sometimes an option. Supervisor Davidson asked if Mr. Kloptosky must give up his other coverage and take the plan that the District offers. Mr.

Wrathell reiterated that Mr. Kloptosky could decline coverage, under the group plan. Supervisor Gaeta asked if the District could continue reimbursing or paying 50% of the premium amount to Mr. Kloptosky for his other coverage. Mr. Wrathell indicated that Mr. Kloptosky currently has an individual plan. Mr. Kloptosky stated that the FL Blue All plan is the closest to his current coverage and the FL Blue All rate for him and his spouse is very close to the rate he currently pays; however, his current policy does not have a \$500 deductible but the copays are higher. Supervisor Davidson stated that the District could not offer health insurance but give employees money in a Health Savings Account (HSA) to use to obtain individual coverage. Supervisor Lawrence asked if the plan included prescriptions. Mr. Wrathell replied affirmatively. Ms. Cerbone pointed out that all of the plans presented include prescription coverage. Mr. Wrathell noted that plans with no deductible would be quite costly, if even available.

Supervisor Gaeta asked if there were a maximum or minimum number of employees required for the small group plans. Mr. Wrathell believed that it should not be problematic to drop to coverage for five employees. Supervisor Lawrence noted that the annual cost savings from converting to LED streetlights would likely cover the annual cost to provide health insurance to CDD employees. Mr. Wrathell concurred; offering a quality health plan, with low deductibles, low out-of-pocket maximums and paying 100% of the employee premium cost is generous and a way to retain employees. Mr. Wrathell pointed out that the cost to the District for individual coverage would not actually be \$50,803 because, if Mr. Kloptosky declines group coverage and continues with his current plan and reimbursement arrangement with the District, the \$50,803 amount would be reduced by the amount already paid to Mr. Kloptosky, each month.

Mr. Wrathell voiced his opinion that the HSA approach would be more complicated for the District than simply offering coverage through a small group plan and, if the District contributed to the HSA, the employee could possibly take the HSA with them if they were no longer employed by the CDD. Supervisor Smith disagreed and stated that, in his experience, employers do not fund HSAs, they are funded through a pre-tax payroll deduction; therefore, an HSA would not be an expense to the District. Ms. Cerbone indicated that, to have a valid, tax deductible HSA, in which the employee or anyone makes contributions, that employee must be eligible for a high deductible health care plan; therefore, if the District chose not to offer a health care plan, that employee could create an HSA but it would not be tax deductible. Mr. Wrathell explained the requirements to qualify for a HSA and potential drawbacks of HSAs.

Supervisor Lawrence indicated that, under the FL Blue All plan, the cost would be an additional \$34,500 per year to pay 100% of the premium for employee dependants. Supervisor Chiodo noted that, if an employee's spouse had other coverage, the District would not incur coverage costs for the spouse. Supervisor Lawrence pointed out that some employees might not take coverage if they were covered on their spouse's plan. Supervisor Smith questioned whether the District could exclude coverage for an employee's spouse, if the spouse's employer offers health insurance. Mr. Wrathell believed that coverage must be offered to the spouse.

Supervisor Davidson surmised that the cost would be approximately \$84,000 to pay 100% of the premium cost for both employees and dependant coverage. Mr. Wrathell pointed out that, if Mr. Kloptosky declines coverage and maintains his current reimbursement arrangement, the District would realize significant cost savings of \$2,540.63 per month. Regarding the \$50,803 cost to pay 100% of the premium for employees only, the annual cost would be \$35,125, if Mr. Kloptosky declined coverage. Supervisor Gaeta wanted to know if employees want coverage for themselves, their spouses and/or dependants. Ms. Cerbone will prepare an analysis of the costs for coverage of employees, employees plus dependants and with and without Mr. Kloptosky.

In response to Supervisor Gaeta's question regarding the impact of changes to the number of employee dependants covered, etc., Mr. Wrathell explained that the number of dependants in the plan would be variable, as there is no way to predict who could be added or who will continue or decline coverage, year-to-year. Supervisor Lawrence stressed that employees should understand that, depending on coverage costs, year-to-year, it might be necessary for the District to adjust the percentage of the annual premium that the District pays.

Supervisor Davidson directed Management to present an analysis of coverage options, with a not-to-exceed CDD expense of \$50,000 per year, with and without Mr. Kloptosky participating in the small group plan. Mr. Kloptosky confirmed that his current health insurance is a FL Blue plan.

Supervisor Chiodo asked if the policy term would be one year. Mr. Wrathell confirmed that the coverage term would be one year from the effective date of the policy.

As a resident, Mr. Gallo felt that providing health insurance to secure quality employees was a good idea but would be a benefit that the District would probably never be able to discontinue. Supervisor Lawrence disagreed; it would be termed "we currently offer". Mr. Wrathell agreed with Mr. Gallo.

G. Continued Discussion: Proposed Usage of Former 9th Green Site

Supervisor Davidson recalled Mr. Deary's offer to provide input, based on his experiences in other CDDs.

Supervisor Davidson explained that the goal is to utilize the land without increasing the District's liability exposure, meaning items such as a barbecue, playground, pool, and drone flying, would not be options; the land would be for passive use.

Supervisor Gaeta questioned if usage must be considered now. Supervisor Davidson replied no, it would be a future project; however, the District must maintain the property. Supervisor Lawrence suggested obtaining a quote from Yellowstone to install minimal irrigation and St. Augustine sod. Mr. Kloptosky will obtain a quote from Yellowstone and a list of potential uses for the 9th Green site from Mr. Deary and Mr. Ross.

H. Update: Cell/Communication Tower

This item was discussed following Item 5.E.

I. Update: Business Plan Objectives

Regarding the Long-Term, Common Area Tree Management Plan, Supervisor Davidson must contact Dr. Gilman and the University of Florida (UF), as he was interested in participating in a controlled study of various techniques for tree management.

Regarding the "Maintain/Improve CDD Assets" objective, Supervisor Smith asked Mr. Kloptosky to brief the Board about the current preventative maintenance programs for CDD assets and areas that should be developed further.

- **Summary – Voting Statistics**

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

Mr. Wrathell indicated that the summary of voting statistics spreadsheet that was distributed was related to the Board's request at a prior meeting. Supervisor Davidson was not impressed by the statistics for Grand Haven voters. Ms. Carbone reviewed the summary, which revealed that CDD resident voter turnout was higher in percentage than Flagler County and the City of Palm Coast. Supervisor Lawrence pointed out that, regardless of the higher percentage of voters, the CDD comprises such a small percentage of the overall voting population that the impact of CDD voters on election results would be minimal.

SIXTH ORDER OF BUSINESS**UPDATES: District Manager**

- **UPCOMING MEETING/WORKSHOP DATES**

○ **BOARD OF SUPERVISORS REGULAR MEETING**

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

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

○ **COMMUNITY WORKSHOP**

- **May 5, 2016 at 10:00 A.M.**

The next workshop will be held on May 5, 2016 at 10:00 a.m., at this location.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

The following change was made:

Item A.: Delete “Refund” and insert “Agreement” after “Cap”

The following items were added:

- H. Village Center Water Intrusion Project
- I. Employee Medical Coverage
- J. Update Personnel Manual Related to Health Insurance

EIGHTH ORDER OF BUSINESS

SUPERVISORS’ REQUESTS

Supervisor Davidson explained that, each month, The Garden Club at Palm Coast, Inc. (Garden Club) designates a home with outstanding landscaping as the Selection of the Month but has never awarded it to a residence in a gated community. The Garden Club requested permission to award a Selection of the Month to a home in the CDD. In recognition, a “Selection of the Month” sign would be placed in the front lawn and advertised in the newspaper. A CDD resident, who is a member of the Garden Club, would be responsible for access to those entering the community to view the home’s landscaping. The Garden Club believed that the recognition promotes pride and stimulates continuing interest in maintaining and improving the aesthetic appeal of the community and overall environment.

Supervisor Davidson pointed out the issues with the Garden Club’s request:

- 1. Controlled Access
- 2. Signage

Supervisor Lawrence strenuously opposed the request because the District tries to limit and control access into the community and this would promote allowing outsiders in, which would be contrary to the District’s goals.

Regarding the signage issue, Dr. Rob Carlton, a resident and GHMA President, stated that the signage issue would be discussed at the GHMA meeting. He agreed that access control was an issue, as well.

Supervisors Smith, Chiodo, Gaeta were against the Garden Club awarding the “Selection of the Month” to a home in the CDD. Supervisor Davidson stated, “We appreciate the efforts of the Garden Club to promote the beauty of our community, which exists at every lot, everywhere, all over the community and, because of certain problems with the Covenants, Conditions and Restrictions (CC&Rs) and certain problems with access control and traffic control, it will not work.”

Supervisor Davidson felt that the GHMA should still address the signage issue with the Garden Club in case the Garden Club awards the Selection of the Month to home in the CDD and gives the homeowner a sign to place in their yard.

It was determined that a joint letter from the CDD and the GHMA should be sent to the Garden Club.

Supervisor Davidson reported that the first issue of The Grand Haven Observer would be published shortly and distributed to CDD residents, via the U.S. Postal Service. He met with a representative of The Palm Coast Observer and toured the community with her.

Dr. Carlton pointed out that Supervisor Davidson’s actions now place the CDD and the GHMA in opposite positions, with regard to the Grand Haven Observer, as the GHMA’s position was that it would not participate in any aspect of the Grand Haven Observer. Supervisor Lawrence recalled that the CDD’s position was the same. Dr. Carlson stressed that, while the CDD might have said it had the same position as the GHMA, the CDD “did not do the same thing”. Supervisor Davidson indicated that the Grand Haven Observer representative would attend the next CDD meeting. Supervisor Davidson acknowledged Dr. Carlton’s point.

NINTH ORDER OF BUSINESS

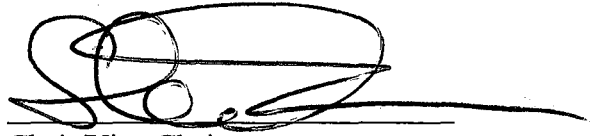
ADJOURNMENT

There being nothing further to discuss, the workshop adjourned.

On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the workshop adjourned at 1:55 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair