

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

The Grand Haven Community Development District's Board of Supervisors held a Regular Meeting on Thursday, August 16, 2018 at 10:00 a.m., in the Grand Haven Room, at the Grand Haven Village Center, located at 2001 Waterside Parkway, Palm Coast, Florida 32137.

**Present at the meeting were:**

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

**Also present were:**

Howard McGaffney	District Manager
Scott Clark	District Counsel
David Sowell	District Engineer
Barry Kloptosky	Operations Manager
Stacie Acrin	Grand Haven CDD Office
Robert Ross	Vesta/AMG
David Euler	U.S. Security Associates, Inc.
Chad Burchfield	U.S. Security Associates, Inc.
Rob Carlton	Resident and GHMA President
Al Lo Monaco	Resident
Denise Gallo	Resident
Ron Merlo	Resident
Kevin Foley	Resident
Kathleen Fuss	Resident
Edward Beier	Resident
Joe Horter	Resident
Edd Dilworth	Resident
Marti Garziglia	Resident
Ed Parker	Resident

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. McGaffney called the meeting to order at 10:03 a.m. All Supervisors were present, in person.

**SECOND ORDER OF BUSINESS**

**PLEDGE OF ALLEGIANCE**

All present recited the Pledge of Allegiance.

**THIRD ORDER OF BUSINESS**

**MODIFICATIONS TO AGENDA**

The Board agreed to the following modifications to the agenda:

- **Proposal: R&K Certified Roofing – Center Park Gazebo & Main Gate Guardhouse Roofs**

**On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the modification to the agenda, was approved.**

**FOURTH ORDER OF BUSINESS**

**CONSULTANTS, GUEST REPORTS & PRESENTATIONS**

**A. U.S. Security Associates, Inc.: *David Euler & Chad Burchfield***

Mr. Kloptosky recalled that AlliedUniversal (AU), the District’s previous provider, is acquiring U.S. Security Associates, Inc. (USSA). He introduced Mr. David Euler and Mr. Chad Burchfield, of USSA, and stated he was happy with their efforts to resolve issues. The challenges are finding quality guards and AU’s buyout. If Mr. Euler and Mr. Burchfield continue managing the contract, there was no need to immediately change providers, due to the UA acquisition.

Mr. Euler reported the following:

- The District and Staff would be kept informed of changes during the transition to AU.
- He and Mr. Burchfield would continue servicing the District as best they can.
- A new guard was hired to replace one guard.
- As part of the acquisition, AU may reorganize and eliminate USSA personnel.
- To date, the sale has not occurred; there is an agreement for AU to purchase USSA.
- The acquisition was expected during the first quarter of 2019 but could occur at any time; he is not privy to the transition details.
- Mr. Euler is a District Manager and Mr. Burchfield is an Operations Manager.

Supervisor Lawrence asked if the acquisition would void the District’s contract. Mr. Clark replied no, because the District’s contract would be an asset that AU receives as part of the acquisition; it would be up to the Board to opt out of AU’s services.

**FIFTH ORDER OF BUSINESS**

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

There being no public comments, the next item followed.

**SIXTH ORDER OF BUSINESS**

**STAFF REPORTS**

**A. District Engineer: DRMP, Inc.**

Mr. Sowell reported the following:

➤ Tract H, Pond 40 Control Structure Walking Path and Bridge: Elevating the path and installing culverts underneath to connect to the wetland area was previously recommended. The interconnected ponds are the same elevation and this would raise this pond to the 6' elevation, as designed, and allow flow into the wetlands. Homes should be above the pond elevations so water should flow into the wetlands before nearing homes. This suggestion was to alleviate issues from normal rainfall events and not meant to solve hurricane-related issues.

Supervisor Chiodo asked if culverts should have been installed when the system was built. Mr. Sowell stated that the trail, which is part of the issue, was not located on any plans. Elevating the path would help restore the ecosystem and natural design of area. He discussed how the ponds function and that homes should not face flooding issues, under normal conditions. The estimated cost was \$55,000. Based on previous research, Supervisor Davidson suggested installing a swale on the back end of Pond 40 parallel to the path to the ditch near Tract H. Mr. Sowell stated that approach was logical but could not find plans that designed it that way. His recommendation would not require a permit, as it would just be restoring the original function of the design but a directly intentional engineering connection to Tract H would involve the St. Johns River Water Management District (SJRWMD) and County or City.

Supervisor Davidson asked if the permit transfer was completed. Mr. McGaffney stated that the documents were signed but did not know if SJRWMD signed them yet.

Discussion ensued regarding the suggested culvert locations, why raising the trail elevation would help, other options, the most economical solutions, the burdensome permitting aspects of the solution of cutting through the berm to flow into Tract H, etc.

Supervisor Lawrence surmised that the options were to perform the work or do nothing, with the only adverse consequence being occasional street flooding, which, per Mr. Kloptosky, only happened once and was no danger to homes, under normal circumstances. Supervisor

Smith asked for the pros and cons of doing nothing or making the suggested repair. Mr. Sowell stated the advantage to making the connection is that levels could be lowered and provide more assurance that there would not be street flooding from normal rain events, notwithstanding major, catastrophic storm events. Supervisor Lawrence asked for the survey cost. Mr. Sowell estimated \$10,000 for the entire region, with all ponds. The consensus was to take no action until it is confirmed that all transfer documents are executed. Supervisor Davidson recommended a survey of the CDD common areas, after the transfer is confirmed, and also allowing residents to pay for their own surveys, if they want their property surveyed.

- Wild Oaks Entrance: Survey was completed and should be received within two weeks.

Discussion of the pond elevations resumed. Mr. Clark stated that the SJRWM website does not show the permits as transferred.

- Pond 14 Lake Bank Erosion: Erosion observed and installation of coquina and rocks was suggested to the SJRWMD and the SJRWMD wants to visit the site before making a decision.

**B. Amenity Manager: *Amenity Management Group, Inc.***

Mr. Ross distributed his revenue report. Supervisor Gaeta asked about ticket sales for the Labor Day event. Mr. Ross stated that sales are good and about 200 people were expected.

**C. Operations Manager: *Barry Kloptosky***

- **Proposal: R&K Certified Roofing – Center Park Gazebo & Main Gate Guardhouse Roofs**  
**This item was an addition to the agenda.**

Mr. Kloptosky recalled that the Board previously approved the Advanced Roofing proposals to replace the roofs at the Center Park gazebo and Main Gate guardhouse, in a combined not-to-exceed amount of \$33,000. Subsequently, after meeting with the owner of R&K Certified Roofing (R&K), R&K submitted this quote for \$18,700. He was advised by Mr. Clark that this must be considered by the Board, since the other contractor was previously considered and approved. Mr. Clark stated the contractor could not be changed, if the project had gone through the formal bid process; however, since the District is not under contract yet with Advanced Roofing, the Board can reconsider its decision. Mr. Kloptosky stated that R&K is providing a ten-year labor warranty, permitting and inspections. Supervisor Lawrence asked if Mr. Kloptosky was comfortable with hiring R&K. Mr. Kloptosky stated that he was not comfortable with R&K's initial failure to respond but feels that they will now be more responsive; their reputation is good.

On MOTION by Supervisor Chiodo and seconded by Supervisor Gaeta, with all in favor, rescinding the previous approval of the Advanced Roofing proposals for the Center Park gazebo and Main Gate guardhouse, in a combined not-to-exceed amount of \$33,000, and the R&R Certified Roofing proposal for the Center Park gazebo and Main Gate guardhouse roofs, including gutters and a contingency, in a not-to-exceed amount of \$25,000, to include gutters, and authorizing District Counsel to draft and agreement, were approved.

Supervisor Gaeta noted that replacement of the Main Gate guardhouse was not included on the CIP.

Mr. Kloptosky discussed the following:

- Village Center Playground: The contract was executed by Playworx and the equipment was ordered. The deposit is ready to be released this week.
- Village Center Stucco Project: Drawings were not yet 100%; his input on specific design items was needed. He previously rejected the lighting samples and other design suggestions provided because, in his opinion, they were too modern in appearance and did not fit in with the design of the community.

Supervisor Davidson asked about a start date and hiring a contractor. Mr. Kloptosky stated that hiring a contractor was premature. The architect was confident that several contractors would be interested in bidding on a project of this size.

Supervisor Davidson noted that, with the delays, work could run into the major holidays and asked if it could commence after the holidays.

**Supervisor Chiodo left the meeting at 11:20 a.m.**

- Ponds 5 and 14 Aeration Installation: Conducted a site visit and the suggested electrical equipment locations were not acceptable to him, based on the cost; therefore, he advised them to relocate the units to his selected locations. A proposal was obtained from an electrician and a proposal for the conduit at the Pond 5 location was pending.
- Village Center Bathroom Renovations: Obtained a proposal for both bathrooms but he was not prepared to present it; the cost is very high, as he “went all out”.
- Tree Issue in The Crossings: Last week the City’s Urban Forester inspected trees at The Crossings, in response to resident complaints about the pine trees alongside their homes but in the CDD’s common area; some trees have no issues and Ms. Louise Leister, Horticultural Consultant, already had plans to remove those that could be a threat. The Forester spray

painted numerous trees, including several that were not dead but were spray painted simply because the resident wanted them removed, and displayed two very large violation notices. The Forester contacted Ms. Leister and Jason Shaw Tree Service (Shaw) and insisted that those trees be removed immediately. Ms. Leister advised the Forester that the dead ones were already slated for removal. Mr. Kloptosky was concerned and questioned if the Forester has the right to require the CDD to remove live trees, simply because a resident requests it and this also poses an issue, as the area might be a wetland or wetland buffer. Shaw dropped the trees on Friday because the Forester threatened to fine not just the District but also Shaw, the District's contractor, if the trees were not removed immediately. Now, the Forester is demanding that the dropped trees be removed, which is not protocol for a wetland or wetland buffer area. It was noted that the SJRWMD previously did not allow even the State Division of Forestry to remove anything from that area. The prior procedure with the City was that the City would inspect the tree when a complaint was received and would indicate that approval to remove a tree must be obtained from the District, if it was on CDD property. This situation was handled very differently. Mr. Kloptosky contacted SJRWMD about what was done and why and SJRWMD is researching to verify that it controls that area and, if it does, the City Forester's mandated removal of the trees could be a major problem resulting in the CDD being fined. The information would be forwarded to District Counsel.

Supervisor Lawrence asked if the City Forester has the legal right to do what she did. Mr. Clark stated he could not find any, so he would be very interested to hear the City's statement of authority; the City has a tree ordinance but it is all geared toward the protection of trees. If necessary, the District could invoke the inter-governmental mediation process and try to schedule a joint meeting with the City Council and the CDD Board. Supervisor Smith asked for confirmation that the Forester not only threatened to fine the District but also threatened the District's vendor, Shaw, and questioned on what basis the vendor would be fined. Mr. Kloptosky confirmed that the Forester threatened to fine Shaw if they did not immediately cut down and remove the trees that she marked.

Supervisor Davidson believed the Forester did this because a resident of The Crossings was very vocal and called the Forester every day. He felt that the District must stand firm because, if the area is controlled by the SJRWMD, the City totally exceeded its authority and demanding removal of things in a natural area creates a violation.

- 22 Tanglewood Tree Issue: Shaw inspected two long needle pine trees at this location.

**Supervisor Chiodo joined the meeting via telephone.**

Supervisor Davidson noted that the District cannot spend public funds for the benefit of a private property owner. If trees on CDD property were deemed a continual nuisance by a resident and the resident over pruned and damaged them, he suggested offering to remove the trees but only with advance payment from the resident. Supervisor Lawrence felt that this could set a precedent. Supervisors Smith and Gaeta favored further discussion at a workshop.

- Fiscal Year 2018 Capital Improvement Plan: Some cost amounts were adjusted and some items were marked completed. The following changes were made during this discussion:

- Change “Village Center impact resistant windows” to “Village Center window or storm protection” and insert \$20,000
- Change “Repair VC Building Stucco” to “Repair VC Building Stucco 2018 allowance – 50%”
- Change “Replace Center Park Gazebo roof” to “Replace Center Park Gazebo and Main Gate guardhouse roofs” and change \$24,000 to \$25,000
- “Replace tot lot facilities” line item: Change \$30,000 to \$60,000

Mr. Edward Beier, a resident, suggested notifying the Mayor of the tree issue and the Forester’s actions. He asked when Pond 5 aeration installation would be completed. Mr. Kloptosky estimated two weeks.

**D. District Counsel: *Clark & Albaugh, LLC***

Mr. Clark reported about the following:

- Hurricane Matthew Debris Claim: Nothing definitive from FEMA or the State about distribution of the reimbursement. Total FEMA and insurance damages claimed were \$512,000, of which about \$444,000 will be recovered. The difference is the insurance deductible and minor items not covered by FEMA.

- Hurricane Irma Claim: The claims to FEMA were not yet approved but there was activity, by way of questions from FEMA, etc.

Supervisor Gaeta asked if the District received any Hurricane Irma insurance reimbursements. Mr. McGaffney replied approximately \$100,000 and more is anticipated.

- User Fees: Researched how other Districts use user fees to resolve nuisance matters caused by residents that create an expense for the District. An advantage of user fees is they

can be argued in court to collect attorney's fees. A disadvantage is trying to collect awarded attorney's fees. Whether user fees can be on the tax bill depends, as the assessment is based on a budget for something that provides benefit. To place a user fee on a tax bill, the fee must provide a direct benefit to that owner, which it would. It is easy when the costs can be directly attributed to the owner's actions, such as damages or destruction of CDD vegetation. If something at a CDD facility is damaged, it was likely not plausible to assess the person because all residents benefit from the amenities. The Board should begin discussing situations where user fees might be helpful or appropriate and identify whether they can be collected through a special assessment or in court; the District may incur legal fees taking it to court and might not recover. Discussion ensued regarding notification requirements if it were placed on a tax bill.

Supervisor Gaeta asked about recourse against the resident that contacted the Forester, causing this situation for the City, due to healthy trees being removed due to the Forester's threats to fine the District and Shaw. Mr. Clark was reluctant to punish someone for exercising their right to complain. Regarding the Forester's actions, he must research it but the Forester's actions seemed extreme for someone lacking authority to do what she did. How the City presents this will dictate Mr. Clark's response. Supervisor Davidson gave a history of the District's experiences with the City's Urban Foresters and how prior issues were resolved.

**E. District Manager: *Wrathell, Hunt and Associates, LLC***

There being no report, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**CONSENT AGENDA ITEMS**

Mr. McGaffney presented the Consent Agenda Items for the Board's consideration.

**A. APPROVAL OF UNAUDITED FINANCIAL STATEMENTS**

**i. Unaudited Financial Statements as of June 30, 2018**

Mr. McGaffney presented the Unaudited Financial Statements as of June 30, 2018. Supervisor Lawrence asked about the high "Pump house shared facility" expense, on Page 3. Per Mr. Kloptosky, 75% of the expenses would be reimbursed by the Golf Club. Supervisor Gaeta asked if the "Landscape repairs & replacement" line item, on Page 3, was at 143%, due to storms. Mr. Kloptosky replied affirmatively. Total revenues were at 103%. Supervisor Smith noted the vine removal expenditures. Mr. Kloptosky stated the bills are coded based on information from Ms. Leister.



**B. APPROVAL OF MINUTES**

**i. July 19, 2018 Regular Meeting**

**On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, Consent Agenda Items A and B, were approved.**

**AUDIO WAS NOT AVAILABLE FOR THE FOLLOWING SECTION  
DUE TO TECHNICAL DIFFICULTIES WITH THE RECORDING DEVICE**

**EIGHTH ORDER OF BUSINESS**

**BUSINESS ITEMS**

- A. Continued Discussion: Proposed Budget for Fiscal Year 2018/2019**
- B. Continued Discussion: Comparative Analysis of Other Similar Special District Assessments**
- C. Continued Discussion: Public Safety/School Bus Stops**
  - Interface Between CDD and Flagler County School Board**

This item was deferred to the next workshop.
- D. Discussion: Location of Turtle Sculpture**
- E. Discussion on/Consideration of: Resolution 2018-09, Adopting Fiscal Year 2019 Community Workshops and Regular Meetings Schedules**

This item was tabled to the Public Hearing.
- F. Discussion: CIP**

This item was discussed during Item 6C.

**TRANSCRIPTION FROM AUDIO RESUMED**

**NINTH ORDER OF BUSINESS**

**OPEN ITEMS**

Items E and B were removed.

**TENTH ORDER OF BUSINESS**

**SUPERVISORS' REQUESTS**

**ELEVENTH ORDER OF BUSINESS**

**UPCOMING WORKSHOP/MEETING DATES**

**A. BOARD OF SUPERVISORS MEETING**

- **September 6, 2018 at 3:00 PM (*public hearings to commence at 5:00 p.m., time certain*)**

The next meeting will be held on September 6, 2018 at 3:00 p.m., with the Public Hearings commencing at 5:00 p.m., time certain.

**B. COMMUNITY WORKSHOP**

- **September 20, 2018 at 10:00 AM**

The next workshop will be held on September 20, 2018 at 10:00 a.m.

**TWELFTH ORDER OF BUSINESS**

**ADJOURNMENT**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Supervisor Chiodo and seconded by Supervisor Davidson, with all in favor, the meeting adjourned at 1:00 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



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Secretary/Assistant Secretary



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Chair/Vice Chair