

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

The Grand Haven Community Development District's Board of Supervisors held a Regular Meeting and Multiple Public Hearings on Thursday, September 6, 2018 in the Grand Haven Room, at the Grand Haven Village Center, located at 2001 Waterside Parkway, Palm Coast, Florida 32137. The Regular Meeting was scheduled for 3:00 p.m., with the Public Hearings scheduled for 5:00 p.m., time certain.

Present at the meeting were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Tom Lawrence	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Scott Clark	District Counsel
Barry Kloptosky	Operations Manager
Stacie Acrin	Grand Haven CDD Office
Kerry Cousineau	Grand Haven CDD Office
Robert Ross	Vesta/AMG
Jay King	Vesta/AMG
Denise Gallo	Resident
Ron Merlo	Resident
Vic Natiello	Resident
Kevin Foley	Resident
John Polizzi	Resident
M. Leigh Jackson	Resident
Chip Howden	Resident
Mike Fichol	Resident
Don Plunkett	Resident
Kathleen Fuss	Resident
Michael Wright	Resident
Lisa Mrakovcic	Resident
Charles Greer	Resident
Otto Bohmueller	Resident
David Reisman	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. McGaffney called the meeting to order at 10:03 a.m. Supervisors Davidson, Chiodo, and Lawrence were present, in person. Supervisors Smith and Gaeta were not present.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

MODIFICATIONS TO AGENDA

There were no modifications to the agenda.

FOURTH ORDER OF BUSINESS

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

Mr. John Polizzi, a resident, requested an update regarding the St. Johns River Water Management District (SJRWMD) permit transfer, as it relates to Wild Oaks. Supervisor Davidson stated that it would be covered during District Counsel's report.

Ms. Kathleen Fuss, a resident, stated that another resident asked her to relay something that the resident perceived as a safety issue at The Village Center gym. Apparently, as a result of gym users opening the windows, the handles were removed from the windows and have been off for about two months, which could be a fire/safety issue. Mr. Kloptosky did not recall the handles ever being on the new windows that were installed seven or eight years ago and stated that the handles should be installed but the windows should not be opened, as it conflicts with the air conditioning. Signs would also be posted. Discussion ensued regarding how someone could open the windows, if the windows did not have handles, building code compliance issues that are not grandfathered in and must be brought into compliance, as part of the upcoming building renovation.

Mr. Chip Howden, a resident, noted the great job in long-range planning for the roads and suggested long-range planning for other things, as well.

Mr. Kevin Foley, a resident, stated that he observed the irrigation system operating just after it rains and suggested improving the system to shut off when it rains or when rain is anticipated and if the District pays for the irrigation water, something should be done to reduce water usage. Discussion ensued regarding the Water Use Permit, the lower rates for the

reclaimed water the District uses for irrigation, etc. Mr. Kloptosky would research the options but noted that it would be an expensive project.

▪ **10-Year Service Award Presentation to Barry Kloptosky**

This item was an addition to the agenda.

Supervisor Davidson presented an award for 10 years of service to the District to Operations Manager, Barry Kloptosky.

Mr. Kloptosky expressed his thanks to the Board, Staff and the District.

On behalf of the District, Mr. McGaffney announced that Mr. Kloptosky would receive a \$1,000 bonus for his years of service and read a letter from the Board.

FIFTH ORDER OF BUSINESS

STAFF REPORTS

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

• **Discussion: CIP**

Mr. McGaffney presented the updated Fiscal Year 2018 Capital Projects list, as of August 30 and the draft Fiscal Year 2018/2019 Capital Improvement Plan (CIP), containing a description of the projects anticipated for Fiscal Year 2019. The proposed total Fiscal Year 2019 Projects totaled approximately \$1.3 million. Discussion ensued regarding projects, budgeted amounts, possible adjustments to the anticipated costs, adding projects to the list, etc. Mr. McGaffney pointed out that adding projects would require use of more fund balance, further reducing the projected ending fund balance for Fiscal Year 2109. Supervisor Chiodo recommended against expanding the use of fund balance, as it is unknown when or if reimbursement funds would be received from the Federal Emergency Management Agency (FEMA).

Mr. Foley voiced his opinion that the expenditure of \$54,000 on new playground equipment, which he felt is used only occasionally, pales in comparison to the gym, which is used "all day, every day"; therefore, he felt that the District should spend whatever is necessary to replace all of the gym equipment, at once. He thought there should be an assessment of all the District's major assets and the estimated costs of maintaining them and the Board should develop a long-range plan, with remedies. Supervisor Davidson stated that, while things could be planned in a linear fashion, the reality is that the assets rarely deteriorate as scheduled, which results in unanticipated problems, defects, etc. Supervisor Lawrence suggested that a group of residents be tasked with conducting an assessment of the assets. Mr. Foley stated

that residents would not be qualified to make those kinds of determinations; professionals should be hired.

Mr. Howden stated that no one was saying things do not happen unexpectedly but the District should have a long-range plan and adjust, when needed. Supervisor Davidson pointed out that a vast number of things have been accomplished with little increase to assessments and asked if residents wanted the Board to long-range plan and increase assessments to fund projects that will not be done for many years in the future or not at all. Mr. Howden acknowledged that the amount residents pay in assessments for the amenities that they receive is a very good deal; however, he felt that major things need a longer-range plan.

Mr. Natiello noted the growth of the community, over the last 20 years, and voiced his opinion that it is leveling off and the parameters are closing in; therefore, he is not as worried about poorly predicting, as he would have been 10 years ago.

B. District Engineer: *DRMP, Inc.*

There being no report, the next item followed.

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

Mr. Ross had nothing to report.

D. Operations Manager: *Barry Kloptosky*

Mr. Kloptosky discussed the following:

➤ Tree Violation Notice: The City of Palm Coast Urban Forester issued another tree violation for a different area, as a result of a resident request to the ADC to remove two street trees and the ADC sending the person to the City to obtain a tree permit. The resident mentioned other trees, which then triggered the City Urban Forester to issue another notice. He felt that the trees should be removed but the issue is the process to do so, as it is a matter for the SJRWMD and not the City.

Regarding whether to remove the trees and whether to act on the City's orders or wait for the SJRWMD, Mr. Clark suggested initiating the conflict resolution process with the City and asking SJRWMD to participate, as well, so that there is a resolution of how to approach this situation, if the City Urban Forester continues doing this. The approach often upsets people because it forces the parties to talk, when they would prefer to simply mandate an action.

Supervisor Davidson provided a history of the District's similar encounters with another City Urban Forester, his discussions with the City officials and some City Council members, and the outcome of the violations being cancelled as a result of those conversations and the City

ultimately giving the District a proclamation in honor of the District's great work. He recommended discussing this and other issues with Mayor Holland and City Manager Jim Landon. District Counsel sent a letter to the City in response to violation notices.

The Board consensus was to continue today's meeting to September 20, 2018 at 10:00 a.m., for the purpose of making a decision about initiating the conflict resolution process with the City.

- Ponds 5 and 14 Aeration Installation: Conduit boring was completed on Front Street and conduit boring would not be needed for Pond 5, as an alternate power route was found. Electrical installation was scheduled for September 8. Once the aeration equipment is received, an installation date would be given. There were no recent complaints about midge flies.
- Center Park Gazebo and Main Guardhouse Roof Replacement: Contract was executed and the deposit is being processed. The start date was likely two to three months away.
- Village Center Playground: The contract was executed and the deposit was paid. Materials were ordered and the start date was pending receipt of the equipment.

- ***Year-End Update***

Mr. Kloptosky gave a PowerPoint presentation of major projects completed during Fiscal Year 2018, cost savings and responded to questions. The projects presented and discussed included mailbox surrounds, bicycle racks, pressure washer purchase and pressure washing, Village Center bathroom remodel, Village Center auxiliary generator installation, Center Park Pier repairs, bocce ball cap repairs and replacement, bag racks at pickleball court, trash can and bench installation in The Crossings and savings from completing projects in-house.

Mr. Kloptosky stated that there was recently an issue with the use of fragrance at Creekside, during a chair yoga class, which was very strong. He discussed previous notifications to the instructor to refrain from using scents in the class; however, the instructor continued using fragrances. The smell emanated through the entire building. On August 16, the odor was so strong that it was making him ill and he had to leave the building, Mr. Kloptosky directed Mr. Ross to address the matter. Mr. Ross told them to stop using the fragrance and that the class was suspended, which resulted in letters and emails from class participants and the instructor alleging that Mr. Ross' demeanor was unprofessional. As he was not a witness to the encounter, Mr. Kloptosky asked the two CDD Office staff members to provide their comments on the allegations, as they heard it. Staff's accounts of the encounter differ vastly from the accounts of the participants and instructor.

Discussion ensued regarding the prior notification to the instructor about the use of fragrances, Mr. Kloptosky's conversation with the instructor and attempt to have an informal meeting to resolve the use of fragrance issue, the instructor's rejection of the meeting because Mr. Kloptosky did not plan to address Mr. Ross' actions during the meeting and the subsequent receipt of the letters and emails. The instructor has not contacted him again and the class has been temporarily suspended, in the interim. Mr. Kloptosky reiterated Mr. Ross' actions were based on him telling Mr. Ross that the class must be suspended if the instructor cannot comply.

Supervisor Chiodo stated that the instructor advised him that she now fully understands the fragrance issue and is willing to stop using it. He heard from the instructor and participants that Mr. Ross used strong language. The instructor wants an apology from Mr. Ross.

Mr. Kloptosky reiterated that the participant and instructor's accounts differ from staff's accounts. His goal is to resolve this so that residents can participate in classes but that cannot occur if they continue using fragrance, which they did, despite being told not to do it two months ago. He spoke with a facilitator typically working when the class is held who confirmed that every time the class is held, the entire building has a strong odor.

Supervisor Davidson suggested that he and Mr. Kloptosky meet with the instructor and class participants and find a constructive resolution, going forward. Supervisor Lawrence felt that Mr. Ross should attend the meeting. Supervisor Davidson felt that Mr. Ross' attendance would change the dynamic of the meeting considerably.

Supervisor Davidson requested an item on the next workshop agenda regarding amenity space and program scheduling and instructors charging for classes.

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

This item was presented following the Sixth Order of Business.

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Discussion on/Consideration of: Resolution 2018-09, Adopting Fiscal Year 2019 Community Workshops and Regular Meetings Schedules

Mr. McGaffney presented Resolution 2018-09.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, Resolution 2018-09, Adopting Fiscal Year 2019 Community Workshops and Regular Meetings Schedules, was adopted.

B. Discussion: Pond Bank Maintenance/BMPR Revisions

Mr. McGaffney stated that a public hearing on these rule changes must be held.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, scheduling the Public Hearing regarding Rule changes related to pond bank maintenance, for October 18, 2018 at 10:00 a.m., at this location, was approved.

▪ **Staff Reports – District Counsel**

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

Mr. Clark reported about the following:

➤ Acceptance of Transfer of SJRWMD Permits to the District as Perpetual Operation Entity: The documents were previously executed by the District and transmitted to SJRWMD. Now a SJRWMD employee was on site making comments about compliance issues, despite the entire premise of the transfer by SJRWMD confirming there were no compliance issues. As they previously spoke about exactly this, SJRWMD Counsel was asked what was going on and she stated that she knew nothing about it but would inquire. A response remains pending.

➤ Hurricane Matthew FEMA Claim: FEMA indicated that the check was on the way for the three small claims. Another form must be completed to receive the debris claim funds.

➤ Hurricane Irma FEMA Claim: Claim is in the approval process.

Discussion ensued regarding the amount recovered from the insurance claims, what might be expected from FEMA and the shortfall.

The meeting recessed at 4:58 p.m.

The meeting reconvened at 5:11 p.m.

TIME CERTAIN: 5:00 P.M., PUBLIC HEARINGS ON BUDGET AND ASSESSMENTS

SEVENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and
Objections on the Adoption of the
District's Final Budget for Fiscal Year
2018/2019, Pursuant to Florida Law

A. Affidavit of Publication

The affidavit of publication was provided for informational purposes.

B. Consideration of/Decision on: Resolution 2018-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date

Mr. McGaffney reviewed the budget line items, noting the sources of revenue, expense increases, decreases and adjustments, compared to Fiscal Year 2018, and the reasons for the changes, such as Hurricane Irma, changes in levels of service, etc. The Fiscal Year 2019 CIP Capital Projects were projected at about \$1.3 million; approximately \$700,000 would be funded through assessment revenues and fund balance would be used to fund the balance of the costs. He discussed the Series 2004 A and Series 2008 bonds that would be paid off on May 1, 2019.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, the Public Hearing opened at 5:36 p.m.

Mr. Mike Fichol, a resident, asked what was included for the \$206,000 budgeted to remodel the bathrooms, as the estimates were previously about \$100,000 for both. Mr. Kloptosky stated that the prior figure was for a partial remodel but it was decided that they would undergo full renovations. In response to Mr. Fichol's question, Mr. McGaffney confirmed that the insurance reimbursements are not a part of the fund balance.

Mr. Foley recalled Mr. Kloptosky's comments about the savings by in-house staff completing projects and asked if it made sense to hire more staff so that more work could be completed in-house, such as hiring for the bathroom renovations. Mr. Kloptosky agreed that increasing staff made sense for certain things, as there is savings compared to subcontracting the work; however, the bathroom repairs are different, as this type of project requires a General Contractor, as permits must be pulled and a permit cannot be obtained for a commercial facility without a General Contractor or Builder's license. Supervisor Davidson

noted that costs for everyone have increased tremendously, over last year, as the local contractors are very busy.

Mr. David Reisman, a resident, asked if the \$206,000 for the bathroom renovations was an estimate or based on bids. Mr. Kloptosky stated that he has one estimate; only one contractor was willing to give an estimate but this figure should be close.

Mr. Kloptosky discussed worsening cracking issues with the tile around the outside of the Creekside building, which should be repaired, as it could create a hazard. This would be a major project costing possibly \$30,000 to \$40,000. This project was added to the Fiscal Year 2019 CIP projects, for \$50,000.

A resident felt that the bathroom renovations could be done for less than \$206,000 and noted work from a few years ago. Mr. Kloptosky stated that work only involved replacement of the cabinets, counters and mirrors. The resident asked about the bond payoffs. Mr. McGaffney stated that both bonds will be paid off in Fiscal Year 2019. The resident asked if the budget contemplates collecting more for reserves and not giving a discount so that next year the reserves will be enough, if there are no hurricanes, and there could be a reduction to assessments. Supervisor Davidson stated whether there would be a reduction was unknown but it was a possibility. Mr. McGaffney stated that things, such as reimbursement for Hurricanes Irma and Matthew, coming in under budget, etc., could help rebuild fund balance. The resident was impressed with the amount of in-house work and noted that \$382,000 was budgeted for payroll. He asked how many employees the District has. Mr. Kloptosky replied seven; himself, two office administrators and four in the field.

Mr. Foley asked if the \$382,000 payroll is for full staffing for the full year. Mr. McGaffney replied affirmatively, along with raises factored in. Discussion ensued regarding the aquatic and landscape contracts.

Mr. Otto Bohmueller, a resident, asked if there was a separate budget lime item for weed control, as the weeds along the Esplanade are becoming bad. Mr. Kloptosky stated that it is part of the landscaping contract. Discussion ensued regarding the limitations to treating that area, as it is controlled by the SJRWMD.

Mr. McGaffney closed the Public Hearing at 6:00 p.m.

Mr. McGaffney read the title of Resolution 2018-10.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, with all in favor, Resolution 2018-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019, as amended to include changes to the CIP Exhibit; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the budget for Fiscal Year 2018/2019, Pursuant to Florida Law

A. Affidavit of Publication

The affidavit of publication was provided for informational purposes.

B. Mailed Notice(s) to Property Owner(s)

Copies of the Mailed Notices were provided for informational purposes.

C. Consideration of/Decision on: Resolution 2018-11, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the Public Hearing opened at 6:02 p.m.

There were no public comments.

Mr. McGaffney closed the Public Hearing at 6:03 p.m.

Mr. McGaffney presented Resolution 2018-11 and read the title.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, Resolution 2018-11, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

OPEN ITEMS

There were no changes.

TENTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Davidson stated that the repeater was connected to the antenna in the ceiling so the range of the antenna can be tested. If not sufficient, it would need to be moved outside, which would require permission from the City.

ELEVENTH ORDER OF BUSINESS

UPCOMING WORKSHOP/MEETING DATES

A. COMMUNITY WORKSHOP(S) [10:00 AM]

- **September 20, 2018**
- **October 4, 2018**

The next workshops will be held on September 20 and October 4, 2018 at 10:00 a.m.

B. BOARD OF SUPERVISORS MEETING

- **October 18, 2018 [10:00 AM]**

The next meeting will be held on October 18, 2018 at 10:00 a.m.

TWELFTH ORDER OF BUSINESS

ADJOURNMENT

There being nothing further to discuss, the meeting recessed at 6:09 p.m., and was continued to September 20, 2018 at 10:00 a.m.

On MOTION by Supervisor Chiodo and seconded by Supervisor Davidson, with all in favor, meeting recessed at 6:09 p.m., and was continued to September 20, 2018 at 10:00 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair