

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

The Board of Supervisors of the Grand Haven Community Development District held a Regular Meeting on Thursday, January 9, 2020, 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
Tom Lawrence	Vice Chair
Marie Gaeta	Assistant Secretary
Ray Smith	Assistant Secretary
Kevin Foley	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Scott Clark	District Counsel
Barry Kloptosky	Operations Manager
Stacie Acrin	Grand Haven CDD Office
Donna Conforti	Grand Haven CDD Office
Larry Stuart	Amenity Manager - Vesta/AMG
Andrew Huebner	Assistant Amenity Manager - Vesta/AMG
Roy Deary	Vesta/AMG
Jay King	Vesta/AMG
Ross Ruben	Vesta/AMG
Cindy Gartzke	Guard One Security
Stacy Wright	Guard One Security
Mike Brentnell	Guard One Security
Chad Burchfield	Allied Universal
Benjamin W. Griggs	Ramco Protective

Residents present were:

Al Lo Monaco	Denise Gallo	John Polizzi	Barbara Dragstrem
Rob Carlton	Tom Byrne	Vic Natiello	Marcia Munsterman
Kathleen Fuss	Tom Rodwick	Chip Howden	Richard Munsterman
John O'Meally	Steve Kohen	Lynn Brazen	Steve Brazen
Charles Greer	Mike Frichol	Bob Lamb	Alexander Polyak
Barbara Wright	Mike Wright	Karen Durand	Lisa Mrakovcic
Nancy Beneducci	Joe Beneducci	Ken Ersbak	James Freytag
Neil Linton	David Norris	Jim Pellegrini	Maureen Pellegrini
Denise Majewski	David Praisler	Scott Grant	Michael Olkovetsky
Dave Ferguson	Mike Ferencich	Joe Marotti	Michael Flanagan

Disclaimer: These summary minutes are intended to highlight the topics discussed, items being considered and actions taken.

Bill Bexley
Jack Hinsor
David Cox

Patty Hartsfield
Bob Schwarzlow

Steve Felahis
Jerry Kagan

Annette Felahis
Roger Somerville

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. McGaffney called the meeting to order at 10:05 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

CONSULTANTS, GUEST REPORTS & PRESENTATIONS

A. Presentations: Responses to RFP for Security Services

Mr. McGaffney stated hard copies of the presentations were distributed.

I. Allied Universal

Mr. Chad Burchfield discussed his familiarity and experience with Grand Haven and responded to questions, as follows:

- All guard companies face staffing and turnover issues.
Supervisor Gaeta voiced her opinion that Allied Universal (AU) made excuses and stated that she had been dissatisfied with the security services contractors for many years.
- AU purchased U.S. Security (USS). AU's strategy was to acquire smaller security firms.
- A recently acquired technology company does home, CCTV, gatehouse and guardhouse monitoring, all of which go through AU's command center.
- He and other local representatives are based out of Jacksonville, the nearest branch office. The Field Supervisor must check each site monthly and more often, if necessary.
- Security professionals are paid \$10.50 per hour and supervisors receive \$11.50 per hour. In this area, it is extremely difficult to hire quality personnel at those rates. A comfortable rate to attract higher level personnel would be \$13 per hour for officers and \$14 for supervisors.

Supervisor Gaeta felt that, despite rate increases, the quality of service had not improved. She contended that guards wave visitors through without checking documentation. Mr. Burchfield stated the current rates were in place with USS for two years. He thought

several rate increase requests were denied. Mr. McGaffney recalled that a higher rate was approved at a previous meeting when Mr. David Euler addressed the same issues as Mr. Burchfield and the Board conceded and adjusted the budget accordingly. If the higher pay rates were not implemented, it should be addressed with Mr. Euler.

II. Guard One Security

Ms. Cindy Gartzke, Ms. Stacy Wright and Mr. Mike Brentnell introduced themselves.

Guard One Security (GOS) staff responded to questions as follows:

➤ Mr. Brentnell, a principal owner of GOS, had been in the security industry for 18 years.

Ms. Gartzke previously worked at Grand Haven.

➤ Approximately 11% of GOS's security clients in Florida were residential, gated, CDD-type properties; GOS served many software companies and Class A office buildings, a few high-end waterfront hotels and numerous financial institutions, such as Franklin Templeton.

➤ Officers follow Ms. Gartzke from company to company so her turnover was very low compared to other companies and GOS branches. GOS's managers set GOS apart locally. The firm has grown organically, by keeping clients and getting new clients, not through acquisitions.

➤ The hourly rates for Grand Haven security personnel would be \$12.50 for officers and \$13.50 for site supervisors and employees would receive up to 2% of the 3% per year increase.

➤ All GOS officers have previous customer service experience so residents could expect consistent, quick and friendly service without backups.

➤ Ms. Gartzke and Ms. Wright would work, as needed, until the guard positions are fully staffed and would both be on site weekly.

➤ Ms. Gartzke and Ms. Wright live within 30 minutes of the District.

➤ Ms. Gartzke last worked in the District in October 2016.

➤ The technology currently available to the guards was sufficient for the daily workflow. Supervisor Gaeta felt that security ran smoothly under Ms. Gartzke.

➤ With offices in Jacksonville and Orlando, additional staff was available to meet the District's needs, including emergencies, such as hurricanes.

III. Ramco Protective

Mr. Benjamin W. Griggs discussed the following and responded to questions:

➤ RP specialized exclusively in HOA security since the company was founded in 2008.

➤ RP provides software, gate installation, camera installation, maintenance and guard services and employs 1200 employees in 250 communities.

- RP's software partner is ABDI. Their proprietary computer system, provided with no upfront cost, keeps a constant record of who is on property. Guest lists could be added to via app, phone or computer.
- RP's Director of Operations lives in Palm Coast and has been with RP for five years.
- RP invests in employees long-term and pays for 90% of employee healthcare.
- Base pay for guards starts at \$11 per hour and supervisors start at \$13 per hour. RP attracts quality employees in this area at those rates.
- Turnover varies but it is very low in Palm Coast at perhaps 10% over the year.
- RP provides security services for over 250 communities; 25 to 30 are CDDs.
- The current proposal was for the first year. In subsequent years, RP would negotiate for hourly increases on a per-employee basis, in \$0.25 cent increments for employees with over one year of service, not to exceed a 3% increase.
- The computer system comes with the package as an open-ended lease at no cost. The District would own the system after four years but, if the CDD cancels before four years, it would owe a depreciated amount.
- RP would not require the use ABDI software but it was provided at no cost and thought to be the best on the market.
 - The age of the District's system, the database and guest and VIP lists, were discussed.
- Regarding whether RP was willing to work with the District's system and negotiate for software in the future, the same offer stands as long as the District has a contract with RP.
 - Discussion ensued regarding the District's technological needs.
- Road supervisors would be on site daily, 24/7 at various times to assess different shifts.
- RP preferred to use its own employees. Guards that the District wished to keep must meet RP's standards.
- RP guards are cross trained, see the Director of Operations weekly and the Road Supervisor daily, receive 40 hours of training and are not moved, once a team works well.
- There would be no up-front fee to start, aside from weekly or monthly bills.
 - Supervisor Davidson asked Supervisors whether they could make a decision today.
 - Supervisor Smith noted that GOS personnel were local, with a proven track record, which weighed heavily, but RP pays \$11 per hour with low turnover. He wanted input from other communities, as other vendors said the lower pay rate would not work and it had not

worked in Grand Haven. If RP is selected, he felt that the software should not be done in the first year.

Supervisor Davidson liked the idea of step increases to hold staff. Supervisor Foley agreed with Supervisor Smith and felt the District could raise the rate. Supervisor Davidson stated the GOS supervisors were familiar and suggested deliberating more and obtaining information from RP’s clients. Mr. Clark stated Mr. Kloptosky could make the inquiries but he should not take additional information from the bidders, as this was a competitive bidding process. Mr. Kloptosky felt that GOS had an advantage based on prior experience and, while RP sounded very good, he heard the same from other companies that did not come through on their promises; therefore, he was cautiously optimistic about RP.

An Ocean Hammock resident felt that RP does an excellent job.

Supervisor Davidson stated, due to time constraints, public comments regarding guards could not be taken; comments should be emailed to the District Manager.

The meeting recessed at 11:27 a.m., and reconvened at 11:40 a.m.

B. Presentation: Vesta Community App [Jay King, Regional V.P.]

This item was presented following the Fourth Order of Business.

FOURTH ORDER OF BUSINESS

PUBLIC COMMENTS (3-Minute Rule)

• **Proposed Purchase of Property at 425 Riverfront Drive**

Residents Steve and Lynn Brazen submitted and discussed a list of concerns pertaining to the reserve study.

Resident Mike Ferencich felt the District should not purchase speculative land but should instead take care of infrastructure and repairs.

Resident Roger Somerville was concerned about the empty condos and property values and was against giving the landowner more money.

Resident Vic Natiello was opposed to the purchase. He felt the land was not needed and that there were other priorities. He wanted the Planned Unit Development (PUD) closed.

Resident John O’Meally stated he didn’t have data to support the purchase and asked who assumes liability if the District buys the property. He felt the purchase would create recurring costs and there were other unbudgeted expenses to plan for.

Resident Alexander Polyak questioned why the District would buy at the top of the market when prices would eventually come down.

Resident Michael Flanagan stated he would like to see lifecycle costs and asked about any plans to sell it for a profit to fund other projects, if the property was being bought as an investment at a reasonable price.

Resident Richard Munsterman was against the purchase. He felt that the condos were a hazard and blight on the community and a harassment lawsuit was in order.

Ms. Brazen believed that, with the condo issue, nobody else would buy the property so it would remain available. Based on the costs, she felt it did not make sense to buy it.

Resident Jerry Kagan believed that the District already had property of similar size, which could be used for whatever the District wanted to do. He agreed that nobody else would want this property so there was no rush.

Resident Chip Howden felt that a plan was needed but his immediate concern was the potential costs and legalities around the purchase. If the District proceeded, he was in favor of being thorough to make sure every legal and financial protection is in place.

Mr. Polyak expressed his opinion that this purchase was asking residents to make an investment with no demonstrated return on investment, an expenditure of this magnitude requires a referendum and residents would not see a benefit during their lifetimes.

Resident Denise Majewski stated she applauded the Board for thinking about the proposal because it was important for the community to consider, even if it was unpopular, especially if it was the only property left. She thanked everyone for going through the process.

Resident David Cox asked about the possibility of someone outside the community purchasing the property and doing something with it that the CDD could not control. Supervisor Davidson replied affirmatively, such as, it could be developed as another 24 unit high rise condo.

Supervisor Davidson thanked residents for their participation, comments and questions and stated all would be taken into consideration and no decision would be made today.

Resident Joe Marotti stated that residents wanted to know what the Board would do and when.

Supervisor Davidson stated the Supervisors would hold a brief discussion now and District Counsel would weigh in. Due to the Sunshine Law, Supervisors would not discuss Board matters privately; all discussions are held at public meetings.

Resident Dave Ferguson wanted the District to have a way out of the contract. Supervisor Davidson stated the District had not initiated a contract.

Supervisor Davidson stated that purchasing the property was being considered because it was the only piece of property that could be used for a possible amenity as the community grows. It would be an investment in the future and, although no one had an idea what it would be, if the District does not purchase it, another investor may buy it and build condos.

Mr. Clark discussed issues with getting a contract, due diligence and other requirements. The seller was now ready to go to contract with the 90-day due diligence period so the Board must decide whether to proceed with the investigation/due diligence process.

Supervisor Davidson wanted to add a contingency that the CDD would not purchase the land until the condos are completed.

Supervisor Gaeta objected to the three-year moratorium the seller wanted in the contract and asked how the seller and the property would be vetted. While the property represented a good opportunity, she objected to the seller's many stipulations. She stated the thought process was the same as with Parcel K, such that the District would eventually build additional amenities; the purchase was never considered an investment. Parcel K has not been developed due to other priorities but the District does have a Capital Improvement Plan, a 30-Year Reserve Study and a Resurfacing Economic Plan.

Supervisor Lawrence agreed with Supervisor Gaeta and felt the Board did very well with capital planning. Two years ago, nearly \$1 million in improvements were made without imposing special assessments or significant increases to annual assessments because reserves were available. The District is not built out; the population is growing and already lacks sufficient room for amenities. The only reason to buy the property would be to build more amenities.

Supervisor Foley agreed with the other Supervisors. He wanted the contingency that the condos must be built but, even without it, he still felt the purchase was reasonable.

Supervisor Smith stated the District had a quality Reserve Study and it was reviewed thoroughly. He was concerned that someone else could buy the property, start a project and fail to complete it; whereas, if the District purchased the property, the building process could be controlled. The District lacked parking and air conditioned space and the two exercise facilities were small, needed updating and lacked floor space. Purchasing the property may solve some of the issues so he supported the purchase, provided there is not a big downside.

Supervisor Davidson recommended that Mr. Clark reopen the negotiations for further discussion. This meeting would be continued.

Ms. Brazen voiced her opinion that the gazebo and dock repair needed to be addressed as soon as possible. Mr. Kloptosky stated those items would be addressed this fiscal year.

Mr. Polyak complained about litter along Waterside Parkway and asked Management to address this with the contractors. He thought speed traps should be utilized to catch speeders.

A resident noted that the City has many amenities, including tennis courts, golf courses and parks that residents could enjoy.

▪ **Presentation: Vesta Community App [Jay King, Regional V.P.]**

This item, previously Item 3B, was presented out of order.

Mr. Ross Ruben, Regional Lifestyle Director for Vesta/AMG, presented a handout with options for an online resident directory. He discussed an app, Constant Contact, and the website, and the pros and cons of each. Constant Contact was not fully effective, as some residents did not receive the e-blasts. It would be very easy to create a page and add the Directory to the existing website as an Americans with Disabilities Act (ADA)-compliant PDF or Excel file that could be searched by name or address.

Dr. Carlton stated the GHMA Board did not want to be involved with the Directory.

Mr. Ruben stated the quickest and easiest way to publish the Directory would be via the current website. Because the website was very out of date and in need of updating, a proposal would be submitted. Discussion ensued regarding privacy concerns and the Master Association's unwillingness to assist. Residents were encouraged to urge the GHMA to reconsider.

Mr. Ruben demonstrated interactive phone app features, such as links, social media, calendars, event information and signup, PayPal integration, newsletter and community policies, which could also be on the website. Directory updates could be submitted online.

Supervisor Gaeta asked how the comprehensive information in the Community Information Guide (CIG) could be added. Mr. Ruben stated Vesta would serve as app and/or website administrator. Mr. McGaffney felt the CIG was a published document and a great benefit and wondered how ADA requirements would affect the app and the website. The Board must consider whether there was value in moving to technology rather than utilizing the resources for printing the directory. Mr. Clark stated he must research how ADA compliance requirements would extend to the app. Mr. Ruben stated any document could be printed and a printed copy of the directory would be available in the office.

Supervisor Gaeta felt the District needed to appeal to those residents who were not tech savvy and agreed that ADA compliance was a significant concern. Mr. Ruben stated the directory on the website could easily be made ADA compliant.

Mr. Stuart discussed the need to post a calendar of events via the website, given the issues with residents not receiving the e-blasts.

Since the District engaged Vesta to provide feedback, Mr. McGaffney suggested expanding the RFP scope to require Vesta to continue its own webpage at no cost to the District and to provide a quote for building and maintaining the app, pending District Counsel’s review.

Resident Patty Hartsfield stated she was IT-challenged but loved the app.

Mr. Flanagan asked why the District would pay for an app when a properly built website could size itself to fit the device. Supervisor Davidson stated the CDD would not pay for an app and suggested Mr. Flanagan speak with Mr. Ruben.

FIFTH ORDER OF BUSINESS

BUSINESS ITEMS

- A. Consideration: First Amendment to Agreement with Brame Heck Architects Inc. for Architectural Services**

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the First Amendment to Agreement with Brame Heck Architects Inc., for Architectural Services, was ratified.

- B. Discussion: Crosswalk in Front of the Village Center on Waterside Parkway**

This item was not discussed.

- C. Discussion: Communications Committee**

This item was not discussed.

- D. Continued Discussion: Resident Online Directory/Community Information Guide**

This item was not discussed.

SIXTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

Mr. McGaffney presented the Consent Agenda items.

- A. ACCEPTANCE OF UNAUDITED FINANCIAL STATEMENTS**

- **Unaudited Financial Statements as of November 30, 2019**

Mr. McGaffney responded to questions regarding the “Insurance: auto general liability” line item.

B. APPROVAL OF MINUTES

- **November 21, 2019 Continued Regular Meeting**

The following changes were made:

Line 198: Change “POA” to “GHMA”

Line 199: Change “POA” to “GHMA”

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, the Consent Agenda Items, as amended to include today’s revisions to the minutes and revisions previously submitted to Management, were approved.

SEVENTH ORDER OF BUSINESS

NEXT MEETING DATE

- **February 6, 2020 at 10:00 A.M., Community Workshop**

Today’s meeting would be continued to February 6, 2020 to discuss the land purchase contract. The continued meeting and community workshop would be held on February 6, 2020.

- **QUORUM CHECK**

Supervisors Lawrence, Davidson, Smith and Gaeta confirmed their attendance at the February 6, 2020 continued meeting and community workshop. Supervisor Foley would not attend.

EIGHTH ORDER OF BUSINESS

STAFF REPORTS

- A. District Engineer: *DRMP, Inc.* [David Sowell]**

There was no report.

- B. Amenity Manager: *Amenity Management Group, Inc.* [Larry Stuart]**

Mr. Stuart distributed a report showing amenity trends and stated over 125 people tasted the menu and loved it. The final menu design was approved and would be in production soon. Residents would receive monthly activity updates. Mr. Huebner was doing a great job with the aquatics and tennis courts. Supervisor Smith wanted the report to reflect other activities and stated, while residents did a great job organizing a beginner’s pickle ball, residents

should not do that. He felt too much time was spent on the Café. Mr. Stuart stated he and Mr. Huebner were working on a fitness program.

C. Operations Manager: [Barry Kloptosky]

Mr. Kloptosky discussed the following:

➤ Egret Golf Course Crossing: The Egret golf cart crossing button malfunction was addressed; someone had tampered with the button. A second blinking light would be added.

➤ Village Center Tennis Court Vandalism: Vandals entered and defaced the courts on New Year's Eve, when the gates were locked. Once notified, the courts were groomed immediately.

Supervisor Davidson felt the District was lucky the courts were not destroyed.

➤ Military Monument: Staff was making good progress. The flagpole was moved, the wall was completed and the veneer stone, pavers and final stone work would commence soon.

Supervisor Smith voiced his opinion that, with the staff shortage, it was difficult to justify completing work on the military monument first when the gazebo was in disrepair. Discussion ensued regarding the agreement with the GHMA and the commitment to have the project completed before Memorial Day 2020. Supervisor Gaeta stated the Capital Improvement Plan (CIP) list no longer included priority types and asked whether that could be added. Mr. McGaffney stated he would address it with Ms. Acrin.

➤ Village Center Tennis Court Resurfacing Project: Work was postponed due to wet conditions. Courts 1 through 4 would commence on January 17th, followed by Courts 5 through 7; the project would take two weeks to complete. The Palm Coast Tennis Center would be asked about accommodating the District's players at specific times, for reduced rates. Availability of The Village Center courts would be communicated to residents.

➤ Village Center Office Renovation: Work was about 50% complete.

➤ Village Center Stucco Repair Project: Work was ongoing. Drawings were received for drainage by the pool and a preliminary ceiling design.

Discussion ensued regarding ceiling design and construction and completion dates for various phases.

➤ Gate Technology: This issue will be discussed during the February 6, 2020 Meeting.

Mr. Kloptosky distributed proposals from The Gate Store. There are four gates and the costs listed were per gate. The more expensive proposal included cell phone technology plus monthly fees. The proposals would be included on the workshop agenda.

D. District Counsel: *Clark & Albaugh, LLC* [Scott Clark]

Mr. Clark reviewed photos and discussed issues related to golf course encroachments into Parcel K, such as parts of the cart path. He recommended requiring the golf course to execute an agreement or revocable license to use the property, with the understanding that the CDD is indemnified and that the CDD may require removal of encroachments in the future.

On MOTION by Supervisor Davidson and seconded by Supervisor Smith, with all in favor, authorizing District Counsel to draft an agreement with the golf course, as stated, was approved.

E. District Manager: *Wrathell, Hunt and Associates, LLC* [Howard McGaffney]

Mr. McGaffney reviewed operations and infrastructure assessment information for the land purchase property, such as a reduction in assessable units, a new assessment methodology and the potential financial impact to property owners. He spoke with senior leadership from St. Johns River Water Management District about an adaptive management plan and another meeting was scheduled for further discussion before including attorneys or Supervisors.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Smith distributed and discussed the "Explanation of Strawman" and the "Draft Strategy Plan: Amenities".

Supervisor Foley distributed and discussed the "Outline for Keeping Grand Haven Grand".

TENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

ELEVENTH ORDER OF BUSINESS

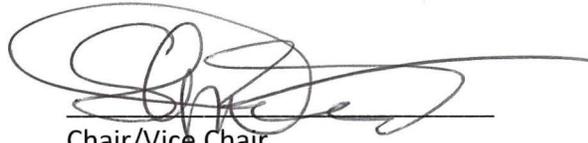
ADJOURNMENT

There being no further business to discuss, the meeting recessed.

On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, with all in favor, the meeting recessed at 2:13 p.m., and was continued to February 6, 2020 at 10:00 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair