

**MINUTES OF MEETING
LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT**

A meeting of the Board of Supervisors of the Lake Ashton II Community Development District was held on Friday, August 11, 2017 at 1:30 p.m. at Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum were:

Doug Robertson	Chairman
Jim Meccics	Vice Chairman
Daniel Murphey	Assistant Secretary
Stanley Williams	Assistant Secretary
Carla Wright	Assistant Secretary

Also present were:

George Flint	District Manager
Darrin Mossing, Jr.	GMS
Andrew d'Adesky	District Counsel
Alan Rayl	District Engineer
Mary Bosman	Community Director
Numerous Residents	

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Mr. Flint called the meeting to order at 1:30 p.m., called the roll and the pledge of allegiance was recited. All Supervisors were present at roll call.

SECOND ORDER OF BUSINESS

Audience Comments on Specific Items on the Agenda *(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Board action.)*

Mr. Flint: The next item on the agenda is Audience Comments. This is an opportunity for any members of the public to provide comment on any specific agenda

items. The budget is a separate public hearing. If you have comments on the budget, the best thing to do would be to wait for the public hearing on the budget, and you can provide comments, at that point. If you have comments on any specific agenda item, and you filled out a speaker card, the Board adopted a policy to hear comments when we get to that item before the Board takes action the person submitting the speaker card would have another opportunity to speak before the Board votes. I think you have several speaker cards.

Mr. Robertson: I have two speaker cards regarding the budget; one from Ms. Gloria Crary-Leh and the other from Mr. Bob Zelazny, who is not present. Gloria will be speaking for him. Gloria, did you want to wait until the public hearing?

Ms. Crary-Leh: Sure.

Mr. Robertson: With no other comment cards, we will proceed with the agenda.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 12, 2017 and June 9, 2017 Meetings

Mr. Robertson: We have the approval of the minutes of the May 12 and June 9, 2017 meetings. Any errors or omissions to discuss?

On MOTION by Mr. Mecsics seconded by Mr. Murphey with all in favor the Minutes of the May 12, 2017 and June 9, 2017 Meetings were approved as-presented.

FOURTH ORDER OF BUSINESS

Unfinished Business

A. Ratification of Agreement and Addendum to Space and Service Agreement with Select Rehabilitation, LLC

Mr. Robertson: What we are attempting to do to help our community is to allow our residents to have rehabilitation services available to them. A company said that they would be willing to provide rehabilitation services within the community. We have space available on occasion to do that. Andrew prepared an agreement saying, *"We are not liable for the work you are doing, because you are a rehabilitation services contractor and you can do that independently of us. We are going to allow you to do that from our building*

and provide those services directly to any resident who wants to contract with you". That does not mean we are endorsing any particular company, we are just saying that we have at least one company who wants to do this and is willing to help our community. In exchange, we want to help them facilitate what they are doing. We have a contract and agreement to accomplish that and need a motion to accept their agreement.

On MOTION by Mr. Williams seconded by Mr. Mecsics with Mr. Murphey, Mr. Robertson, Mr. Mecsics and Mr. Williams in favor, and Ms. Wright abstaining, the agreement and addendum to the space and service agreement with Select Rehabilitation, LLC was ratified. (Motion Passed 4-1)

- B. Ratification of Streetlight Agreements with TECO**
- 1) North Phase 2**
- 2) South Phase 2**

Mr. Robertson: We have new streetlights in the new phase, which is a sub-phase; Phase 2 North and South. There are two contracts. Because of the technology changes that we have seen, we are going to a single lamp, which is less expensive. We are also going to an LED light fixture, which is also not expensive. These are the latest contracts to provide lighting within the community, that we would like to get approved by the Board. It's an obligation that we have to the community. For information purposes, when the older contracts on the original construction come up again, we will look at replacing our three-prong lights with a single-prong light, which will result in a cost savings for us going forward in the future.

Mr. Murphey: What is the difference between the single and double bulb, cost-wise? Is it substantial?

Mr. Robertson: I don't know.

Mr. Flint: I don't know community-wide, but the current light poles have two heads on it, and they treat it as three fixtures. You have the arm and each light. The new ones don't have an arm and only have one light. You are probably cutting costs by at least a third. The capital costs for LED lights are higher, but your energy usage is slightly lower.

Mr. Murphey: Does the single light put out just about as much light as these do?

Mr. Flint: Yes. They did a photometric analysis that shows the coverage. The double light actually provides more light than what is required. It was done for aesthetic purposes, not because it was required for coverage. My understanding is that the coverage is comparable. It is a different kind of light. We have some of those lights already over in the east. You can see those as an example.

Mr. Murphey: You definitely see the difference with the lights in the new section.

On MOTION by Mr. Murphey seconded by Ms. Wright with all in favor the streetlight agreements with TECO for Phase 2, North and South were ratified.

C. Ratification of Proposal from All Terrain Tractor Service, Inc. for Repair of Pavement and Storm Inlet

Mr. Robertson: On Green Avenue, a storm drain was fractured, causing erosion and a hole in the road. We found out about it on Thursday. On Monday morning, the District Engineer and I looked at it and determined that it wasn't just going to be a small asphalt patching. We had to go in there and fix the basic problems underneath. We asked All Terrain who has worked with us in the past to come in and fix that area. This contract is for the completed work. We did not want to wait until we spoke with the Board to fix the hole in the road, so we fixed it. It was within budget requirements, so I would like a motion to approve their proposal.

Mr. Murphey: We had to use All Terrain to fix quite a few areas here. I was looking at the cost of this, and I know that you gave a little detail on what needed to be done. This hole was only about a foot in diameter, but it was a little more than just filling a hole and \$3,200 seemed like a lot to me. I have seen some of the other prices that All Terrain has charged us for correcting some issues over here, like the drain by the 9th tee, which they charged us \$3,500 for. I think that's high. I would like to get some other companies to bid on some of these things in the future. I'm not disputing what we did here. We needed to get it done. They were available, and ready to come out on a moment's notice, so we are paying for that.

Mr. Robertson: I will talk with George and try to get another bidder to come in and look at some of the things that they are doing, and be prepared to give us short term bids, so that we have All Terrain and an alternate to All Terrain, to do a fair cost comparison. If you would like for us to do that, we will.

Mr. Murphey: I would.

Mr. Williams: Unrelated to this contract, a couple of months ago, there were problems on the back 9 where the gutter raised. Every time it rains, people have to wade through a couple of inches of water to get to their mailbox and they would really like to have that fixed.

Mr. Robertson: As we completed our patching and fixing, one of the things that we talked about is the Miami curbing. It's about 12" deep, so we had someone go in there and do some grinding in certain areas, because if there are some settling issues, you get a high point. We can actually grind some of those. We do an assessment every year to take care of any significant bird bathing that we have and look at where we can grind some of those out.

Mr. Williams: When would that happen next?

Mr. Robertson: We are probably going to look at that again this fall. Later on, we will be talking about the budget. We fixed 10 years' worth of problems for under \$20,000. If we set aside \$25,000 a year, rather than \$20,000 for 10 years, and allocate \$25,000 for roads, we will have enough money set aside within our budget to go back and, every year, look at the areas that have deteriorated, and we can work off of those areas, so that they work in the future. I think that's the right thing to do, and we have line items in the budget to be able to handle those problems.

Mr. Flint: In regards to the All Terrain proposal, the initial proposal is actually \$3,900. They thought that they would have to open that area up more, because they didn't know where the problem was, whether it was at the top, or where the pipe connected to the structure. They had to dig all the way down to the pipe connection, just to make sure that there was no compromise, where the pipe connected to the structure. The problem was where the top of the structure attaches to the box, so they

patched that. They poured concrete around the top of the structure and then repaired the asphalt. I was able to negotiate them down to \$3,220, from \$3,900, because they didn't have to excavate as much as they thought they initially did. Not a lot of contractors are willing to come out and do these smaller jobs. When that other repair was required, we attempted to get a couple of other bids. I think one other bid was actually higher than All Terrain, and another company said that it was too small and they weren't interested. If the District Engineer has other preferred smaller contractors, we are happy to work with whoever does quality work and is reliable. There are a handful of companies that I am familiar with that do quality work and are reliable; however, they may not always be the cheapest.

On MOTION by Mr. Williams seconded by Mr. Murphey with all in favor, the All Terrain Tractor Services, Inc. proposal for pavement and storm inlet repairs, in the amount of \$3,220, was ratified.

D. Ratification of Proposal from Republic Services for Dumpster

Mr. Robertson: Republic told us that we could keep the same size dumpster for a lower amount, if we entered into a new contract with them, so we said thank you and we entered into the new contract.

On MOTION by Mr. Williams seconded by Mr. Murphey with all in favor entering into a new contract with Republic Services for the dumpster was ratified.

E. Update on Pickleball Court and Parking Lot Construction

Mr. Rayl: Since our last meeting, we received our permit from the South Florida Water Management District. We are expecting approval from the City of Winter Haven, Tuesday of next week, according to the Senior Planner. We had to make a small revision to the parking lot. They asked that we have a handicapped space, which was included at the northeast corner. It's not on the exhibit that you have in your agenda, but it is on the plans that they received for resubmittal. Knowing that we are at the end of the required revisions, we are going to put the parking portion of the project out to

bid. In my last conversation with the pickleball court contractor, they expressed interest, and we may find cost savings if they are already mobilized onsite, for them to do the parking lot, as well. We will get some competitive numbers for the parking lot portion. I believe it's ready to go. We just need to clarify that the appropriate inspections were completed on the storm pipes that travel under the pickleball court parcel. If we are satisfied with that, I recommend that we proceed with construction, when we have our contractor.

Mr. Robertson: The Board already approved the contract for the pickleball courts, and completed the work to get the city to approve our plan, but we have not approved any expenditure of funds to construct the parking lot yet. Between now and our next meeting, the District Engineer will get bids on that work. We should have bids by the next meeting to do the construction in the first quarter of next year on the parking lot.

Mr. Williams: I looked at the plan and noticed that there were a lot of bushes and trees that weren't there when we discussed this before. Do they have to be there? Is that something that the city is requiring?

Mr. Rayl: Yes.

Mr. Williams: Therefore, all of this planned parking that we had with a vehicle pulling up is gone?

Mr. Rayl: Yes. We are required to provide a buffer along the road right-of-way. We are also providing canopy coverage over a percentage of the parking lot.

Mr. Williams: Are there bushes along the golf cart path?

Mr. Rayl: I don't believe there are any edge material buffering the golf cart path.

Mr. Williams: I see trees there.

Mr. Rayl: There are trees.

Mr. Williams: Do they have to be there?

Mr. Rayl: Yes.

Mr. Williams: Therefore, we are losing golf cart parking there also? We talked about people being able to pull up to the spaces and to park their golf carts.

Mr. Rayl: There will still be two access connections to the cart path.

Mr. Williams: We all talked about 20 spots going down the side and we lost all of that.

Mr. Rayl: In the immediate perimeter of the pavement, yes.

Mr. Williams: We are only getting 16 more parking spaces. That means people are going to be parking all up and down the roads. I know that we approved this, and I hate to beat a dead horse, but we have those pipes going under one pickleball court, and I think Mr. Zelazny brought up a good point in one of his questions. If in fact something happens with that drainage, do we have to repair the pickleball court?

Mr. Flint: Typically, you are not going to know that you have a problem unless there is an issue with the surface of the pickleball court.

Mr. Williams: If there is a surface issue where something caved in because of that pipe, as a CDD, are we required to repair it?

Mr. Flint: If you decided that you didn't want to use the pickleball court anymore, you wouldn't have to repair it. If you use bond funds for it, you have to repair it, but we are not using bond funds.

Mr. Williams: Going back to one of the questions that Bob had asked, he said that we have a lot of amenities around and asked how we preserve the right as residents to always have these amenities, but we really don't have the right. Do we?

Mr. Flint: If it is funded through bond funds and they are still outstanding, then you have an obligation under the master trust indenture to maintain and keep it. Once the debt is paid off, you can do whatever you want.

Mr. Williams: He brought up the bowling alley. There was some discussion at one point in time, but because of water under the bowling alley, we might not do that.

Mr. Flint: There's no guarantee that any amenity is going to be provided perpetually. They may decide in Lake Ashton I to turn the shuffleboard into a bocce court or pickleball court, because no one plays shuffleboard anymore. There's no guarantee that what you have today is what you are going to have next year. This elected Board makes those decisions.

Mr. Williams: I don't know why we didn't just build one pickleball court and open up that whole place for golf cart parking. It's the only one on the line where the pipe is. We only need one court. That whole area could be for golf cart parking. I don't know if it's even feasible or possible to do that at this point in time. It came up at the focus group that we need more parking. We are losing valuable space.

Mr. Rayl: You will still have the opportunity to create additional parking in the southeast area. We sketched up a dozen spaces there, where the other east/west courts are set back from the road right-of-way. The southern edge of the pickleball court parcel, I'm sure, is the only area that has that hedge. It also has understory trees because utility lines are there. We can't put the canopy trees there. There wasn't any provision in the Winter Haven code to get us out of that requirement. I had those discussions with them. What you have is just the code minimum plan that we were required to do and nothing more than that.

Mr. Murphey: I have to agree with Mr. Williams. I didn't realize that we lost all of that parking off of the road. There were a number of spots. Are there going to be tall trees where we can put some spaces in between the trees, or is there going to be a hedge along there? I'm talking about as you are going down the road and the pickleball courts and the parking is on the right. I thought some of our original drawings had diagonal spots.

Mr. Robertson: That's still available. All of the south side where the pond is, is on the 8th hole. All of that angled parking is available near the side of the street.

Mr. Flint: Where the overflow parking would be.

Mr. Robertson: Then there is also room for parking all along the two pickleball courts. That whole area has now opened up, so there's a big area for parking.

Mr. Murphey: I guess we could put some crushed gravel or shell there, because people have been parking their carts, which is fine for the pickleball parking. Again, I have to agree with Mr. Williams. I thought we were going to get some parking.

Mr. Rayl: Those parking spaces were shown in early conceptual plans, as not to be paved. That was never the intent. This site right now is at the absolute maximum intensity that it can be developed at for the stormwater pond that's over it. The space is

still there, but the line work is not. I didn't want to confuse anybody in Winter Haven reviewing this plan, to think that I'm doing three or four parking spots. That same room is available there for us to use on the south side of the road, and in between the existing courts in the road.

Mr. Murphey: When you say that it's available for use, are we going to pave it?

Mr. Rayl: No. It would not be advisable.

Mr. Murphey: I received a lot of inquiries from people on how they are going to walk from the parking lot. Should we think about putting some kind of a walkway from the furthest part of the parking lot, along the edge of the road, to at least get people up towards the building, so they don't have to walk in the street?

Mr. Robertson: It could be put in the buffer zone.

Mr. Rayl: It could be added at any time.

Mr. Robertson: There's nothing in that buffer zone to provide a walk space, without taking away any more parking.

Ms. Wright: The shrubbery is on the south side of the new pickleball courts. Normally the pickleball players put shrubs all the way around their fence. Do we then have to have the second row of shrubbery at the street line?

Mr. Rayl: So you are saying to make that row of hedge, the buffering row of hedge should go up against the court, instead.

Ms. Wright: Yes.

Mr. Williams: That might be an option.

Ms. Wright: We don't have to pave it, if the hedge isn't there.

Mr. Rayl: I don't see why that would be a problem, but I would like to check with the city. The intent is to buffer the use from the road. Whether it is adjacent to the use or adjacent to the road, I don't see a problem.

Ms. Wright: You can probably put the same shrubs around that fence on the outside, like you have on all of the other courts.

Mr. Rayl: I will ask the city. I will be speaking with them early next week about our plan approval and I will check with them on that.

Mr. Mecsecs: It was questioned by three or four people about putting it over that storm drain. In my business, I talk about risk management. Barring a catastrophic failure in that pipe, would we incur additional costs, or is that something that we should be concerned about? Can you tell me your personal opinion?

Mr. Rayl: I tried to elaborate on this at previous meetings. The short answer is that it is a low risk. We are going to review the integrity and condition of the installed pipe to make sure that we are in agreement that it was put in properly. Most of the time, you do not ever see these drainage easements used to repair the lines. The instance is usually rare. Many folks may have a drainage easement running beside their house right now, and they have probably never seen anyone come out there to do any work. The placement of the court on top of it doesn't generate any additional risk of impact to the line. The pipe has been imbedded and compacted over the installation of the pipe, so it wouldn't matter if it was under a road, pickleball court or in a green space. The integrity would be the same. I think I mentioned in previous discussions, that even if there was some failure, it's not a catastrophic event that takes the entire court. You may find a small repair one day in the future. You also may not ever find a need to work on that.

Mr. Flint: These pickleball courts are asphalt with an acrylic coating on top. Just like a road would be repaired, if there was an issue, the asphalt could be repaired and then you could replace the coating. You may see a patch there if you don't do it in conjunction with resurfacing the entire court, but it's not going to mean that the court has to be totally re-done.

Mr. Robertson: We haven't seen any settling or anything else in that area that would indicate that we have any deterioration.

Mr. Rayl: One has been in for a while.

Mr. Robertson: There's one new one and one old one.

Mr. Williams: Is there any idea of what our overall risk is going to be cross length?

Mr. Rayl: I wouldn't know.

Mr. Murphey: Would it tear up the court?

Mr. Robertson: We just did one for \$2,000. Didn't we just do one for \$3,200?

Mr. Rayl: Right. I wouldn't be able to say. It's remote that we would have an issue that we have to deal with.

Mr. Robertson: We just did one with All Terrain on an emergency basis. They dug down 5 feet to get down to the pipe, did the inspection, did the repairs and put it back together again for \$3,200.

Mr. Williams: So now we put future CDD Boards at risk for "x" amount of dollars, and also decreased the number of parking spaces. I'm just wondering whether it was all worth it.

F. Update on the 2020 Group

Mr. Mecsics: I want to personally thank the members of the 2020 Group. You did a great job. It's not finished yet, but Mr. Zelazny provided the Board a preliminary report. The first couple of paragraphs talk about how we did it and why we did it. We did a raw survey. Clearly residents enjoy the benefits of many activities and amenities in Lake Ashton; however, there is now frustration regarding access to certain activities and amenities. The survey and resident comments indicate the following areas of concern; a need for another outdoor swimming pool, the need to increase access to the entertainment, the need for additional parking at the clubhouse, the need to have aerobics and fitness facilities and the need for additional fitness classes. The group had recommendations that require little or no capital by the CDD. Those items could be implemented with a modest expenditure of funds. Items identified as big-ticket items, were the outdoor swimming pool and additional parking. The group would conduct a feasibility study to determine the estimated costs. That is what we would use as a Board for our consideration as we go forward. We are going to publish our final recommendations to the Board at our next meeting. There should be funding identified in the 2018 budget. I would like to thank the group. They did a great job. Is it a perfect survey? No, but it's a great start. I view the survey as one of those things that we as a Board, who represent 180 residents, is necessary to look at, to see how residents want to

use that revenue. I'm spending your money and my money and I want to make sure that their voices are heard more than others. I want to thank the group and I look forward to their final report.

FIFTH ORDER OF BUSINESS New Business/Supervisors Requests

- A. Public Hearing to Adopt the Fiscal Year 2018 Budget**
- 1) Motion to Open the Public Hearing**

On MOTION by Mr. Robertson seconded by Ms. Wright with all in favor the public hearing was opened.

- 2) Public Comment and Discussion**

Mr. Robertson: We have two residents who want to speak about the budget.

Ms. Crary-Leh: It is important that our management company and our Board appreciate that the residents of Lake Ashton must be provided with a detailed breakdown, as to exactly how our funds are being spent. It is important that our needs, like road, lake, pond and HFC maintenance are taken care of, and that we have adequate funds in reserves before any money is expended on bonds. In addition, each contract should be carefully evaluated by the Board, and if necessary, be put out to bid to ensure that we are getting the best return for our money. While there are many concerns, there are two important ones. The first concern is the age of our pool. The capacity of the filtration system should be evaluated, in order to accommodate more people, and hopefully, it will help the pool remain cleaner as well. Secondly, HFC employees, Mary Bosman and Karen Van Kirk deserve salary increases. Their job duties and responsibilities should be evaluated to ensure that their salaries are competitive. I know that I am not alone in expecting budget transparency and accountability. Thank you.

Mr. Robertson: That was Gloria's comments. She is now speaking on behalf of Mr. Zelazny.

Ms. Crary-Leh: I want to say how disappointed I was when my request for a budget workshop was denied as most of these issues could and should have been addressed in that forum. One, please explain the difference between budgets of the past

and this one. We now have a full revenue, but I find no appreciable change in the budget. Two, what services are covered in the \$47,000 for management fees? I have been unable to determine what services the management company is providing. What compromises the salaries? Not only does Mary manage the HFC, she teaches classes that are not in her job description that she is not compensated for. Her salary must be addressed to reflect her responsibilities. Mary also needs additional support. Karen should also receive a raise and a new title that would transfer many of the routine administrative duties away from Mary. There is no mention in the budget of the additional personnel required to monitor the HFC, after hours and on holidays and weekends. There is a \$17,000 increase in security. Is that due to the new contract? This figure does not include the additional \$60,000 approved at the last meeting. Will that be added and can the additional \$60,000 be revisited? The maintenance budget was overspent by \$17,000 this year. FY2018 has an additional \$35,000 for maintenance. What are the new requirements that drive this number? Can you provide some rationale and scope of the work performed by Poolsure? We pay them almost \$11,000 to maintain the pool, while also supposedly doing it in-house by our maintenance man. Funds should be allocated for services of a certified pool company, to make sure that our pool is properly maintained. What projects are included in the \$917,000 budget for FY2018? There was a \$600,000 increase from this year. There should be funds assigned to every project anticipated throughout the year. There is also no specific category for reserves. Why is there a reduction of contingency funds from \$40,000 to \$20,000? Based on the budget, what will cash reserves be at the beginning and end of the year? Under which category do we fund for road repairs? Is there a list of roads that require repair? Have all repairs identified last year been done? What is the procedure to identify roads that require repairs? At what point is it cost effective to repave a road, versus repair it? Finally, the capacity of the Lake Ashton CDD pool is reported to be 111. Our pool is much larger and the capacity is only 45. I was told that our capacity could be 150, but it is limited by the size of our filtration system. This must be corrected. It could also be a contributor to the uncleanliness of the pool.

Mr. Flint: Even though people haven't filled out speaker cards, you should give them an opportunity to speak.

Mr. Robertson: Some of those things will be covered in our discussion of the various pieces. When we took over management of the CDD from the developer, we knew how much money was being paid by residents that were living here. There was a certain amount of funds that were going to be provided by the developer. We had no way of knowing when those funds would come in, so we set up a budget that was based on saving the money that we knew we would have, which would be the operations & maintenance (O&M) fees from residents. We set our budget up that way and did not try and spend any money that we were expected to get from the developer. To put this into perspective, for the first nine years the developer ran the budget. He did the work and maintained things to whatever level he wanted, which wasn't as high as we liked, because we obviously changed things around here. In the first nine years, we had no reserve and when he turned over the Board to us, we had no reserves and a lot of maintenance work to do. We had a budget that was restricted by a \$515,000 outfall every year, because that's what the developer owed us. That's how we set up our budget. We let the developer go in arrears with us for a very good reason. As you know, not all of the bonds were paid for. The way that happened was these bonds were owned by people who went through Wall Street and to the Wall Street bond market. They were in default. The developer then said to the bondholders, "I want to buy back the bonds at so many cents on the dollar". I don't have a clue what that was, but I presume that it was a good number from his point of view. He used the debt that he owed to us as leverage with Wall Street, because if he didn't pay the debt, then that debt would go over to the bondholders. That was able to allow him to get an even lower price, which was good for the whole community, because he has now since bought back the bonds. From using that leverage, he has since paid back all of the money that we were owed. We didn't get 20 or 40 cents on the dollar, we got 100 cents on the dollar. We got everything that was owed to us by the original contractor. We have gone from no reserves to \$900,000, that is now in our bank account and available to us as a result of

how we managed this process. There was nothing for the first nine years, and then we were able to get \$900,000 for the last two and a half years. That puts into perspective where we are. We now have the opportunity to put things into place and learn how to work with a fully funded reserve and determine how we want to spend our money going into the future. It's a problem that we didn't have in the past, because we didn't have the money, but we now do. We will now talk about the budget and how all of this fits together, but I'd also like to invite other people to speak to other things that you want us to consider in this process. We appreciate further input from residents and welcome you to do so at this time. There doesn't seem to be any public input.

Mr. Flint: Typically you take public comments, you close public comments section and it comes back to the Board. At the end of the meeting there will be an opportunity for general audience comments.

Mr. Robertson: I didn't know if we had to do another round of comments.

Mr. Flint: You are not required to, but you could if you chose to.

Mr. Robertson: We will have public comments now and then Board discussion. There will be public comments at the end of the meeting. Hearing no other public comments, we need a motion to close the public hearing.

On MOTION by Mr. Mecsics seconded by Ms. Wright with all in favor the public hearing was closed.

3) Discussion of Revised Budget Organization and Format

Ms. Wright: One of the first things that is noticeable are all of the zeros in the far-right column of the new budget. That is because items in this budget, when we adopted it in June, can't just be eliminated or removed from the list. They have to be accounted for. The ones that have zeros were put into groups of expenses, rather than separate line items. It gives us a better feel for where we are spending our money, and what percentage of our total budget goes to the different areas. It's not a finished product and it won't be. Every year we are going to find some changes. Some estimates have to be refigured. If you have questions, if I can't answer them, George can.

Mr. Flint: Going forward, once you adopt this new format, your financials, after October, you are going to be comparing the new budget format to actual expenses. Right now, we are showing that you the adopted the 2017 budget, which is in one format, and then we are showing you a proposed 2018 budget, which has changed. I think the main item that Carla was trying to address is grouping similar expenses into fewer line items, with the understanding that in our accounting system, we still have the ability to break out the detail. We are budgeting in line items that are somewhat rolled up, but we have the ability in our accounting system to go back and generate detailed reports, on each one of these line items. If you want to see how much we spent on pool maintenance, we can run a report that shows you what was spent on pool maintenance.

Ms. Wright: At this point in time, those separate items like pool maintenance, will be found in the narrative.

Mr. Flint: The other thing that we did was to create a capital reserve fund, rather than keeping all of the money in the general fund, having it roll over from year-to-year, and trying to figure out how much money we have for capital, versus our operating reserve. The general fund shows you, according to page 2, that we have a fully funded first quarter operating reserve, which is the \$249,577. That represents approximately three months of operating expenses. You always want to have three months set aside, because of the way that the assessments are structured, you don't start getting revenue in until December. You need to cover your October, November and December timeframe. We have a fully funded operating reserve of about \$250,000. The capital project line item of \$220,000 is actually a transfer out. We are moving that into a capital reserve fund, which I will get to in a moment. Under interfund transfers of \$540,000, we've moved money that would be used for the first quarter operating reserve. We are projecting this year, to move that money to the capital reserve fund. The result is, in your general fund, you are going to have your operating reserve, and then you are going to have a capital reserve fund, which is separate. It is on page 7. The capital reserve fund shows the \$540,000 coming in this year, and the \$220,000 transferred in next year. Next year, we will have \$760,139 in available funds. We budgeted \$25,000

for pond repair. The cost of the pickleball courts is actually in that \$540,000 that we transferred this year. The pickleball group funded the cost of that contract, so \$540,000 was rolled over into next year. We estimated cost of the parking lot paving at \$90,000 and \$75,000 for road repairs. That is for milling and resurfacing of the entrance road. The balance after we fund the \$220,000, is \$541,039. That would roll over from year-to-year or be available for other capital projects that you may have.

Mr. Robertson: Looking at things that would change from year-to-year, I know that something has moved, but if I trace them all back, the significant difference is that you can see that administrative expenses stayed flat. There are additional costs for the new lights and security service, which were included in the budget. We are back to the 24-hour service that we originally had, and the new contract, which cost us more. In trying to decide what we can afford to do, I went back and looked at the reserve study for 2009 for both LA I and LA II, and the 2017 Reserve Study for LA I. Just to give you some perspective, the reserve study wanted us to set aside monies for future work, which was based on 3% per year inflation. The LA I budget was \$11.8 million back in 2009, and with the new reserve study, it was reduced to 2% going forward, but under 3% inflation annually, which is consistent with federal and international standards that are forecasting a 2% rate going forward for the next 20 years. Therefore, the LA I reserve study was decreased by \$3 million. That means less funds have to be set aside because of the lower inflation rate.

Mr. Murphey: Just 1%?

Mr. Robertson: Yes. Compounded annually, we have a large savings. We went from \$11.87 million to \$8.83 million. I did the same thing for our budget. Our budget had \$6.6 million, and it reduced to \$4.9 million. I further looked at it, and because we said that we would do the road study, in talking with Mr. Flint and the contractor, roads on our side are acceptable. I know that there are some issues in the east. There were some areas of swampy area and areas that cause trouble, which led them to do a milling project to re-mill the roads. We performed an inspection of the roads. As we said, we spent \$20,000 to patch some areas and 99.5% of our roads are intact. Less than half of

1% of the roads need to be repaired. There are 375 square yards of patches on the roads. They fixed the areas that were sagging. The recommendation was to put \$25,000 into reserves. Going forward, we spent \$20,000 in 10 years. If we put \$25,000 a year away, that would be enough to continue to look at any areas that deteriorate and still have money in the budget for milling in the future. About 52% of our budget going forward was for accruing money to pave the roads. The 2009 budget had re-milling the roads twice in the 30 years. Our District Engineer said that is not something that is required, and we don't need to be reserving at that rate. When I do those calculations, we have a budget of \$1.225 million that we spending. Our administrative fees are \$125,000. The budget, as it stands now, is \$903,000. If we add all of that up, we are left with unspoken for funds of \$109,600. Once I paid the administrative fees and the annual operating costs, we are left with \$109,600. The requirement to adequately fund the reserves is between \$105,000 and \$130,000, depending on how you want to interpret those numbers. In conclusion, with the budget as it currently is, we still have to allocate \$60,000 to \$90,000 to provide additional support for Mary. If there is a need for manpower, there's money to do that in those discretionary funds, and still maintain 100% of the reserve going forward. So, we have about \$90,000 in reserves, if we adopt this budget as it is, and do not hire any more people. We funded TECO, security and have done everything else. We set aside money for reserves and we have \$69,000 at our disposal to hire more staff.

Mr. Mecsics: I want to thank Carla and Doug. When we did this in the past, with all due respect to our accounting staff, but there were a lot of questions that residents had on what we were spending our money for. I think it's important that we break out where our money is being spent. I can look at the check runs, but I think as we are working on this, like Carla said, it's an evolving process. I think we are heading in the right direction, because it is going to give our constituents a good look on where we are spending your money and how we spend the money, and that is the most important thing. I feel that you need to know the financial side. Good job.

Mr. Robertson: I normally comment on Poolsure. We set a contract with Poolsure, which is the same company that services Legoland. Legoland has large swimming pools and water slides. They need their water to be spot on in that kind of public environment with all of the kids and everything else. Poolsure is the company that we use. They don't come and test the water, because they installed electronic monitoring devices, which provide the chemicals. Since we have done that, the State Inspector that comes in and looks at what we have been doing, said that our water quality has never been as high as it is now. We are not duplicating services. We subcontracted the chemical side to Poolsure. We had an issue in the past where we had electrical motors fail because of the injection of small granular materials. We have now solved that problem. Our maintenance person monitors the pool on a daily basis, because you have to back up what Poolsure does with onsite inspections to keep it within code. We are required to have a certified pool attendant that can verify that the chemicals are in fact what Poolsure has been putting in electronically. We've done things that created a significant reduction in costs around the maintenance of our swimming pool. The quality of our pool is the highest it has ever been. I'm happy with the quality of service that we are getting with Poolsure. Are there any further comments on the budget? We had changed things gradually. We can talk at some point about the \$220,000 that we earmarked for next year. That doesn't mean we are going to spend that money. That will come back to the Board each and every time that there's a capital expenditure. You will get to review and decide if and when you want to spend that money. Are there any further comments?

Mr. Murphey: Do we want to talk about individual line items?

Mr. Robertson: If you want to talk about it.

Mr. Murphey: I heard several people comment on the pool filtration system. From what you said, it sounds like it is working fine. I wasn't aware there were any problems.

Mr. Robertson: There was discussion that came up about pool capacity. We looked at the national standards. For the square footage of the pool, you can accommodate more than the 44 people that the pool is currently made for. The pool is

equipped for 44 people, based on the filtration system that we have in place. Mary monitors that amount of activity at the pool, and we have yet to exceed 44 people. We could increase the capacity, but at this point, we have seen no need to do that, but we could at some future time, if there were capacity issues.

Mr. Murphey: I have a question about personnel expenses. There was some talk about hiring additional personnel and increasing salaries. It looks like we increased salaries. In Fiscal Year 2017, we were at \$158,000 and now we are at \$170,000. Have there been some raises or extra personnel costs?

Ms. Bosman: We increased the budget by at least \$20,000, allowing for some anticipated hiring. Part of the increase is due to all of the rentals. We anticipated some part-time hiring and added to the budget for that.

Mr. Robertson: Do you know how much you added? If we decide that we want to hire one more full-time employee, how much money should we add to the budget?

Ms. Wright: I think we added \$21,000 to \$22,000.

Mr. Robertson: A full-time employee would cost about \$30,000, and we already have \$31,000.

Mr. Murphey: On page 2, there is \$220,000 in your proposed budget for Fiscal Year 2018 in the capital budget. Did you say that we are adding that to the capital reserve fund, anticipating that we might be spending some of it on other projects, yet to be determined?

Mr. Flint: Correct. We are projecting in the current year we are going to move everything out of the general fund, except for the operating reserve. That is the \$540,139. On page 7, you see \$549,139 going into that capital reserve fund this year. Next year, we are transferring an additional \$220,000 into the capital reserve fund. That \$220,000 is broken out into the specific projects that you see there. We have \$220,000 in identified projects, as well as another \$540,139 in a capital reserve, not specific to any particular project. If you wanted to, you can always move that money back into the general fund. Once you move into the capital reserve, it doesn't mean that you can't move it back. It could still be used as general revenue for any governmental purpose.

Mr. Williams: Under the personnel costs, there is the same thing for the utility costs. They have both increased.

Mr. Flint: The main part of that are the streetlights. If you look at page 5, the money budgeted under TECO are for the streetlights. The \$24,700 and \$16,220 are the two new streetlight leases for Phase 2 South and North.

Mr. Williams: There is a line item for HFC Special Events. I don't think I've seen this line item before. It is on page 1. There is \$3,000. Is that expected or are they for weddings that are planned?

Mr. Flint: The money is for CDD sponsored events.

Mr. Robertson: We do orientation and different things. The year-to-date amount is \$103 million.

Mr. Williams: Regarding equipment, at the last Board meeting, you said that you were going to look at, not only the roads, but the building to see what we could put into our capital reserve. I didn't see any line item for roof repairs or replacement.

Mr. Robertson: That is why we had \$350,000 in reserves to replace the athletic equipment in our fitness center. They took every single piece of equipment and escalated that going forward 3% per year for the next 30 years. A lot of that equipment cost is for the weights. You don't have to replace them. When the strap that pulls the weights is worn out, we replace them. We have a maintenance contract. We are certainly going to replace the treadmills. Our capital reserve is overfunded from that perspective. They plan to spend \$90,000 to replace all of the chain link fences that are in various spots within the community, after 20 years. Our District Engineer has never seen that done. I don't want to go into anyone's backyard and replace the chain link fence, because the reserve study says that we need new ones. There are a lot of things like that, which provide a buffer. There is \$90,000 in the budget for replacing computers, because they escalated by 3% per year for 30 years, and it is doing the opposite. There are still a lot of conservative things in that reserve study. If we were really tight, we can use money for other things. We have \$90,000 in discretionary funds. I didn't want to use that money until we had \$150,000.

Mr. Williams: I'm not concerned that we have money and don't have it one year. All I'm saying is that you identified four or five projects. I was just wondering if you identified anything else that we know we want to do that should be listed.

Mr. Robertson: Nothing critical. The biggest thing that we have was the flat roof. We got a 20-year flat roof with a parts and labor warranty. The slope of a roof has a 50-year shingle. We can get another 20 years out of the shingles. We think we are okay on those major expenses. We will see nothing in the next five years that will require a significant amount of money.

Mr. Murphey: I have a question for Mr. Mecsics. I received a lot of comments about the extra \$60,000 that we are spending to get an extra 12 hours of security. Do we really need it? I know that we are taking a proactive approach. People have come in here, expecting a certain level of security. It is duplicated in some respects by our CAP patrols. Even though we have two separate security companies, between east and west, is there any possibility of joining forces with them on the roving patrol?

Mr. Mecsics: As a practitioner with security companies, the answer is no. I will be the first one to say that when we had one patrol and had the other side oversee it, we got shortchanged. That is my personal opinion. I had a lot of folks come up to me and say that they were very happy with what we were doing. I think when a lot of us bought into this property, we bought into 24-hour security, not a guy sitting at your gate. When my late wife and I bought in here, I wanted to make sure that when I was away, she was watched over. It's an ancillary issue. The patrols are a great deterrent, but they serve the entire community. When I look at the CAP patrol schedule, it's not 100% coverage, especially during periods in summer when our snowbirds gone. CAP does a great job, but we are sort of mixing apples and oranges. According to the financials, it is an \$8 per household increase per year. In total, its \$30 per month per household. A good portion of that \$8 increase on those assessments came from about 260 assessments, which the developer is paying. The developer is also a voice that we need to listen to. I heard about a bicycle riding through a backyard. I review every one of those security reports, and when I hear that activity is back there, I get on the

computer and track the officers on what they are doing. We found people at the pool that have no business of being there. We have a lot of folks in this community saying, "Oh sure, come on in", and they come. We have also seen an increase in reports of broken streetlights. As I said, there are items that I can't get a quantitative analysis on. Just that patrol running around at night, my sister-in-law who lives here also said that she saw them a lot more. That's what we want. We want them to be out there. I want someone to come here and say, "I don't want to mess around with Lake Ashton", and go someplace else. A lot of times, I heard people who said that they come here a lot and I want to see them driving off.

Mr. Robertson: Just this last weekend, we had four people coming in and playing on the tennis courts on Sunday morning. Our security guard came by. I actually played pickleball and wondered what they were doing there. You try to be polite because we want to be a better community, so I waited to see what was going to happen. They started leaving and then I saw the security guard and went over to talk to him. He said that he knew they were here. They were sons of a resident, but since they were not signed in, he gave them 15 minutes to get the father over here. His father didn't come and he told them that they needed to leave. They got into their car and went out the gate. It turned out that they snuck in to use the tennis courts. If we were really stretched on the budget, can we afford to do it or not? We have already gone through our budget, and were budgeting nothing for reserves, or using more reserves than we actually needed to do. I don't know why I would want to cut down on the security, when we can afford to do it, based on our current assessments. If we have to raise assessments to maintain it, I guess I would be on top of things that we have to tighten up on. At this point, everyone knew what their assessments were. We went back to providing 24-hour security that we used to have, and we are able to do it within our budget restrictions. That's why I'm in favor of this.

Mr. Murphey: I agree with what you are saying. I think a lot of people look at \$60,000, and think that is a lot of money, and obviously 99.9% of the people here never experienced any issues or even heard of anything and that's good. They wonder why

we need to spend \$60,000 when we haven't had a problem. That's what people are saying and I wanted to bring that up.

Mr. Robertson: That's why we went through the pros and cons of all of these pieces. We want people to understand that we didn't spend \$60,000 frivolously, we decided that we could afford it, and it was consistent with what we were doing in the past. We can afford it, so let's maintain what we have for those people who bought when they had 24-hour security on the property.

Mr. Murphey: It's too bad that we can't combine the services.

Mr. Robertson: It was. We almost were there.

Mr. Mecsics: We were close. The door is always unlocked at the clubhouse. If you have any questions, we will sit down and I will show you the software we use to manage it. You see cars going through and people's faces. It's really neat to see. That is what we are supposed to be doing. Some said that we don't need that. Go outside and you will see that police officer out there. I appreciate the support from a lot of you. I get a lot of feedback, and we are trying to do the right thing and restore the agreement that this CDD and the developer had when you bought your property. Thanks.

4) Consideration of Resolution #2017-08 Annual Appropriation Resolution

Mr. Robertson: Are there any further comments on the budget? Not hearing any, a motion to consider Resolution #2017-08, Annual Appropriations Resolution, would be in order.

On MOTION by Mr. Mecsics seconded by Mr. Murphey with all in favor Resolution #2017-08 Annual Appropriation Resolution was approved.

5) Consideration of Resolution #2017-09 Levy of Non Ad Valorem Assessments

Mr. Robertson: Resolution #2017-09 levies non ad valorem assessments. This is what we send to the county to have them collect our operations and maintenance funds for us. We need a motion to adopt Resolution #2017-09.

On MOTION by Mr. Murphey seconded by Mr. Williams with all in favor Resolution #2017-09 Levy of Non Ad Valorem Assessments was approved.

6) Motion to Close the Public Hearing

Mr. Robertson: We need a motion to close the public hearing.

Mr. Flint: You did that earlier.

B. Acceptance of Audit for Fiscal Year Ending September 30, 2016

Mr. Robertson: The audit is based on the facts that we had as of September 2016. At that point, the bonds had not been repurchased, but they now have been. We no longer have any outstanding bonds. The CDD was technically in default, but the responsibility was to the developer, not to us. He has now rectified that they are no longer in default. I am told by Andrew that, according to a website, we are no longer in default. That is now public information. Anyone wishing to buy in this community would be able to see that this CDD is now adequately solvent and going in the right direction. The comments in the audit will be revised in the next annual report. George, do you have any comments about the audit?

Mr. Flint: No, I think you covered it. The report to management was before the restructure of the bonds. Now that the bonds have been restructured, the outstanding bonds that were out there, were retired commensurate with the delinquent amounts that were on the bonds, so they have been brought current. These comments will not be reflected. In the next audit, it will reflect that these comments no longer apply. There will be no comments in the 2017 audit.

Mr. Robertson: They also audited us from an accounting point of view on our operating budgets. They were totally satisfied with what GMS was doing and how we are handling our funds.

Mr. Flint: Correct. There are no findings or recommendations related to any management or accounting issues. The only findings were related to the bond default, which will go away.

Mr. Robertson: It's not unusual for our auditors to come up with something and tell us how we are going to rectify it. We tell them what we are going to do and we do it. In this case, we had no findings whatsoever. They were totally satisfied with how GMS and the Board accounted for the public funds.

Mr. Murphey: I read the entire audit and you guys have adequately summarized what is in there. I used to write these things, and there are no issues that we really need to be concerned about, especially the bond restructuring has taken place.

On MOTION by Mr. Murphey seconded by Mr. Mecsics with all in favor the audit for fiscal year ending September 30, 2016 was accepted.

C. Discussion of New Names for the HFC Building, Fitness Center, Community Center and Media Center *(requested by Chairman Robertson)*

Mr. Robertson: Mary talked to us and we found that when we are scheduling things, we have the Health and Fitness Center, Community Center and Media Center. We use the word "center" so many times that no one knows what they are reserving. Is there a simpler way to solve that problem? There is a list.

Ms. Wright: There is a survey.

Mr. Robertson: We can discuss this. We don't have to decide today. The suggestions that were given to us was to change HFC to the Lake Ashton West Wellness Center. We would change the Media Center to Veterans Memorial Library. We have a lot of veterans here and it would be nice to dedicate a wall within that facility. I think that would be nice for our vets. The Fitness Center would become The Fitness Spa at Lake Ashton and the Community Center would be the Community Ballroom. That would solve all of the repetitiveness and have clarity. It is open to discussion. That was the suggestion from residents.

Mr. Mecsics: The HFC building has taken on a whole different meaning as Lake Ashton and Winter Haven West has matured. It's not just for health and fitness. It's a place to meet here for meetings and entertainment. As we evolve, this is now the West

Center and it's also the roots of the wellness. The Veterans Memorial is not only for veterans. It's for the families of veterans. LAVA will actively be involved because we want to have the wall to appreciate what our veterans have done.

Mr. Williams: Can we move our meetings here?

Mr. Mecsics: We could. Calling it the fitness spa sounds so callous. I'm not going to get my fingernails done at the spa.

Mr. Robertson: There's a massage room.

Mr. Mecsics: I never thought about that. There was a lot of input.

Mr. Mecsics moved to change the names of the facilities as recommended, effective the new fiscal year and Mr. Robertson seconded the motion.

Mr. Murphey: I think we should wait until the next meeting so that we can get more input on the names.

Ms. Wright: I agree.

Mr. Robertson: How do you want to extend the survey?

Mr. Murphey: Residents could give suggestions. I was completely unaware that this was going on.

Mr. Robertson: We will put out a community blast.

Mr. Williams: We can put the winning names in the blast and see how the residents respond.

Mr. Robertson: We will put it on the agenda for the December meeting.

Mr. Mecsics withdrew the motion and Mr. Robertson withdrew the second to the motion.

E. Consideration of Landscape and Lake Maintenance Proposals for Phase 2 South

Mr. Flint: Phase 2 is south of the main entrance road. There are two ponds located in that area. Those ponds have been there for 10 years or longer, before the original site development was completed. The lines have been in place. There has been

no maintenance of those ponds over that period of time. When the developer came in and remobilized the site work and ultimate paving of the road, those roads, as well as the lots, would drain into those ponds. The developer did not do anything to bring those ponds up to current standards. We have homeowners who purchased homes that live on those ponds. There are two main expenses associated with the two ponds; one is mowing around the ponds, which is a Yellowstone contract issue. The other is treating the aquatic maintenance. Applied Aquatic is the contractor for our other ponds. We met with both contractors onsite. I asked them to break their price into two components; one to do an initial cleanup to bring the pond up to a point where they could maintain it going forward. Yellowstone is proposing a contract amendment, of \$1,083 a month to mow those two ponds on the same schedule and service level that they mow the other ponds within the community. They also have a one-time initial cleanup cost of \$800. That would be to bush hog and perform the initial cleanup, so they can get their mowers in there going forward. This doesn't include regrading or re-sodding. It is mowing what's in place there now. The other issue is the ponds themselves. Unlike Rattlesnake Lake, these ponds are retention ponds. They are not natural lakes. They are intended to be clear of vegetation, but because they haven't been maintained in 10 years, there's a fair amount of exotic vegetation in those ponds. That has to be cleaned out of there before Applied Aquatic could treat it monthly like they do the rest of our ponds. The annual cost of doing the maintenance like they do with our other ponds, would be \$2,245. Its \$150 a month, plus there's a startup fee of \$595. That would be to come in and treat those two ponds, monthly, like they are doing the rest of the ponds. The upfront cleanup cost would be \$4,550. They subcontract to Ecotech, which performs the wetland mitigation type work for Applied Aquatic. They have to hand remove and dispose of the brush. They are going to spray the exotic vegetation. It should float to the bottom, but then there's brush that they have to hand remove, haul away and dispose of. I know that the issue of that initial cleanup, versus the ongoing maintenance is probably a topic of discussion for the Board on how you want to handle that and who is responsible. There would be different points of view on

that issue, depending on whether you talk to the developer or us. The bottom line is that you have homeowners that are living there now that deserve to have that pond maintained. Then we can fight about it afterwards. I will now turn it over to the Board or the Chairman.

Mr. Robertson: I received those and I've already spoken to Scott Owens to see if there's a way of us sharing the initial startup cost. They have been paying their maintenance fees for the last couple of years, so they paid for all of those lots. They are trying to get some compensation back, but I don't want to have that problem for our new residents. I would rather fix it and then see if we can maybe get something back from the developer.

Mr. Murphey: That sounds good, but we haven't had a whole lot of success. There was a significant bridge issue over there. He was supposed to fix it and didn't. We had to fix it and it cost \$8,000.

Mr. Robertson: Do you want to fight them?

Mr. Murphey: No. I'm just saying that we haven't had a whole lot of luck getting money from them. I agree that we need to get something done, but I really think the initial cleanup is the builder's responsibility. Obviously the CDD is going to maintain it after that. The initial cleanup cost of \$800 from Yellowstone, seems pretty low, it's an initial cutting what was there, but as you pointed out, it needs some re-grading and probably some sod. This is really rough right now. He is going to want to cut it, but it's not going to look good. It really needs to be re-graded and sodded, so that they can easily get in there and keep on mowing and maintaining it. I think we are going to incur some more costs there. If its \$800, I say fine. We will take care of it and not even bother the builder. Even the \$4,500 is not much, but I know you said that you could initiate some conversations with the developer. I think we need to point out that they are not going to sell many houses back there, if it keeps on looking like this, but we need to move forward. There are a couple of homeowners in there now, and more moving in. I think they deserve it.

Mr. Robertson: I've gone through the same logic that you have. I don't want to disappoint our new residents. The ones who suffer are the new residents.

Mr. Murphey: I agree that we need to get it done, but I think we need to pursue some kind of compensation, even if it's just a couple of thousand dollars.

Mr. Robertson: I agree.

Mr. Mecsecs: I agree.

On MOTION by Ms. Wright seconded by Mr. Murphey with all in favor the landscape and lake maintenance proposals for Phase 2 South were approved.

Mr. Flint: Was that approval for all four proposals?

Mr. Robertson: Yes.

Mr. Williams: Have the new homeowners complained to sales staff about that?

Mr. Robertson: Yes.

Mr. Williams: I am surprised. The builder was at least listening to that.

D. Discussion of HFC Maintenance Staffing and Community Support Program (requested by Vice-Chairman Mecsecs)

Mr. Robertson: I was advised that we skipped this item.

Mr. Mecsecs: This concerns staff. Mary, Karen and now Bill do everything here. We have great help from our volunteers. There's a small staff between the two CDDs. We need to review the compensation of Mary and Karen. I request that the Board take action to increase the manpower for this facility, and at the same time, make sure that the compensation is equitable, inside and outside of the community. The second part is an idea that I had for a Community Support Program. I asked Andrew how to facilitate this, whether we could set up a listing or a service where people could request a handyman. We could have a handyman on staff that is an independent contractor. I would like permission from the Board to work with Andrew to come up with a program, to keep us out of trouble legally, and at the same time, give additional support for our residents.

Mr. d'Adesky: To clarify, I spoke to Jim on this in detail and sent him an email. There is interest in having a person who is a handyman, and having him available, not only to do work for the CDD, but also for residents, but there are concerns. This is a broader concern, especially when you have District employees. Jan expressed this in the past. Of course, this District operates differently because there's been an austerity budget for such a long time. Typically, they are not direct employees of the District. I just want to make it clear that this is an odd situation. In all of our Districts, this is the only District with direct employees. You have significant liability risks through that, versus having them as an independent contractor, but with a particular handyman who would be helping outside individuals, there's potential conflicts of interest, and potential challenges that could come from that, by us benefitting him and his private gain, outside of the scope of his abilities as a District employee. Therefore, if someone was desired to both serve District and outside functions, they need to be an independent contractor, meeting the Federal definition. I sent that definition to Jim. There are actually clear regulations on what constitutes an independent contractor. One of the key things is setting up their own business, having their own equipment and providing their own training. This District and most smaller governments are not set up to provide training, equipment, experience and the proper background to support an employee in that way. They would need to be an independent contractor, both in their capacity to the District, and in their services to the public, if that was desired. That is just to limit our liability, otherwise, I would not recommend it if they were a District employee.

Mr. Williams: Would this person work for the CDD in the capacity of taking care of our facility?

Mr. Mecsics: Yes.

Mr. Williams: If someone in the community said that they needed help, would they come to Mary?

Mr. d'Adesky: No. That's exactly what we couldn't do. Once again, you have to manage it very specifically to make sure that's not there. They would have to do an online classified ad.

Mr. Williams: Why would the Board want to get involved?

Mr. d'Adesky: I don't think the Board has to necessarily get involved, as much as helping them advertise. This community as a whole already has a lot of good resources for advertising.

Mr. Williams: What would be our role?

Mr. d'Adesky: The District's role would be to allow this individual to come and do this extra work. Let's say that this individual has the desire to do independent work by himself; he cannot be hired as a direct employee, like the other employees of this District have been hired. He needs to be an independent contractor.

Mr. Williams: So we have to hire that person as a contractor.

Mr. d'Adesky: Yes. We would need to have a separate contract with him as an individual, instead of how we have done things in the past, by hiring individuals as direct employees. What I am saying, is if this service was desired, this person would have to be hired differently.

Mr. Williams: It really can't be a service from this Board.

Mr. d'Adesky: It's not a service of the Board.

Mr. Robertson: Is it similar to the Sheriff's office? If you go to a sports event, we have a person on duty and he's monitoring the crowd.

Mr. Williams: I understand the service they will be providing, but I didn't know what our responsibilities are.

Mr. Robertson: Is it the same way that you have a policeman who shows up in uniform, but they are not on duty and not getting paid by the city or county. They are there as a private contractor.

Mr. Williams: But they are requested through the Sheriff's office.

Mr. Robertson: Yes.

Mr. Williams: This would not be requested through this facility.

Mr. d'Adesky: Correct. I would not say that it is requested, or that Mary or the District is the scheduler for this person, because those are private services that need to be handled privately, one-to-one.

Mr. Williams: What I'm hearing is, if someone comes in and says that they need some plumbing done, Mary would say to them, "We have someone who does that, go talk to them".

Mr. d'Adesky: Yes. If they have a business card, Mary would provide the business card. They are an independent contractor and have nothing to do with the District. They are not working as a District employee. They could be recommended to anybody. They could say, I know a guy who does mulch and here is his number.

Mr. Williams: They can do that now.

Mr. d'Adesky: Once again, I'm just making sure that the structure is right, because the structure is a big deal. From a liability standpoint, it's my job to advise you on potential liability.

Mr. Murphey: I think we have plenty of handymen around, so I'm not sure that we want to be involved in anything like that. I think I know what you are talking about. We just have a resource available, when new people come in and ask for a plumber. I'm not sure that we want them working for us, but as Andrew said, we are the only ones that have direct employees.

Mr. d'Adesky: They are independent contractors. For example, I own a company and we don't work directly for the District. We are independently contracted and our contract is separate. Therefore, if I make a gross mistake or Alan makes a gross mistake, he's an independent contractor. George is, as well. We are responsible for the hiring, firing, raises, insurance and all of the employment liabilities. There is an importance to that structure. It's not just there for no reason.

Mr. Williams: If we are going to hire someone for this facility, I want to hire them as an employee.

Mr. d'Adesky: That will prohibit them from doing this other work.

Mr. Williams: Are we at the point of talking about hiring somebody for this facility at this meeting?

Mr. Robertson: I think that was one of the things that we were going to discuss, whether we wanted to hire one more full-time employee.

Mr. Williams: To do what and in what timeframe?

Mr. Robertson: A full-time employee working 30 to 40 hours a week doing work for us.

Mr. Williams: Would they work Monday through Friday?

Mr. Mecsics: I think that would be up to the Community Director to decide.

Mr. Robertson: Yes. With the security services, we have somebody that spends a significant amount of their time in here during the day and on weekends.

Mr. Williams: I'm sorry, but I really think that we need somebody managing this facility on weekends. I think that would be a requirement of hiring someone. Personally, I think that's where the key issues are.

Mr. Mecsics: I don't disagree with you. I think our requirement is to hire additional help for Mary. She knows what has to go on more than any of us, quite honestly, and I would leave it to her discretion to schedule them. There is staff at the clubhouse on Saturdays. If she feels that we need staff for Saturday or Sundays, then I think that should be left to her discretion. I don't want to micromanage down to that. That's my opinion.

Mr. Murphey: Rather than just sitting here saying, "Let's go hire somebody", I think we need to see some justification for "x" hours for full-time and part-time help. I'm not seeing what's going on. I know that both Karen and Mary are busy full-time. I know that you are here, Doug, a lot more than the residents, so you might be able to guide us. I would like to see some justification before just going and hiring someone.

Mr. Williams: That's the intended use.

Mr. Murphey: We can justify an extra person, and like Stan says, we have their duties and it would be up to Mary to schedule them. Right now, I'm not sure that we need an extra full-time person. I would like to see the justification.

Mr. Robertson: Mary, at this time, how many hours per week would you need?

Ms. Bosman: 24 to 32 hours. My preference would be 32 hours, but with 24 hours, we can keep someone very busy.

Mr. Robertson: Carla set the money aside for that extra part-time employee.

Ms. Wright: Are we talking about part-time maintenance or office work, Mary?

Ms. Bosman: Most recently, I was answering maintenance calls.

Mr. Williams: This is a part-time maintenance person, not a part-time administrative person.

Ms. Bosman: Right.

Ms. Wright: There is \$20,000 budgeted for the employee.

Mr. Robertson: Can you get someone who is computer savvy that also can perform maintenance? The answer nowadays is probably yes. Do you want us to budget a certain amount of dollars, now, and as we proceed, provide justification for more money in the future? Do you want to give her something between now and December that she can work with, or do we want to wait until December?

Mr. Murphey: Why December?

Mr. Robertson: Our next meeting is in December.

Ms. Wright: Can we get by until December, without that help, or do we need it now with the snowbirds on their way back?

Ms. Bosman: It would be difficult to get by with substandard care.

Ms. Wright: We really need to give her a dollar amount that she can work with, so she can figure out who she can hire, at what wage, for as many hours as she can get someone in here for.

Mr. Flint: Let's say that it was \$12 an hour; times 24 and times 52, is \$15,000 plus payroll taxes and any insurance that would be required.

Ms. Bosman: Yes, but 24 hours doesn't require benefits.

Mr. Flint: You are probably talking about \$20,000.

Mr. Robertson: Which is currently in the budget. Do we want to start that now, and at the next Board meeting have a full review at the next Board meeting to see if it is working, and if we need to authorize more money?

Mr. Murphey: It might take that long to find somebody, unless you had someone in mind.

Mr. Robertson: I'm not aware that we have a particular candidate, but I know that we decided to hire a maintenance person recently so we've gone through the interviewing process. There was more than one person on that list. We might be able to find somebody more quickly than you think.

Mr. Murphey: Is that new maintenance person already budgeted?

Mr. Robertson: Yes.

Mr. Murphey: As a full-time employee?

Mr. Robertson: Yes. Bill is a full-time employee. Do we want to give Mary latitude in providing some support for the fall and then a full justification at the December meeting?

Mr. Murphey: That sounds appropriate.

On MOTION by Ms. Wright seconded by Mr. Mecsics with all in favor allowing Mary Bosman to hire a maintenance employee, working 24 hours per week, between now and the December Board meeting and providing full justification at the next meeting was approved.

Mr. Robertson: Do you need discretion on the compensation, or do you want to wait until the December meeting?

Mr. Mecsics: As the overseer, I recommend that we allow Doug to determine the compensation and then come back and let us know, within certain guidelines, as to what we should be doing.

On MOTION by Mr. Mecsics seconded by Mr. Murphey with all in favor authorizing the Chairman to determine the compensation for staff and provide a recommendation to the Board at the December meeting was approved.

Mr. Williams: Before we proceed, I have a topic to discuss at the December meeting. Up until now, we have been working under the old austerity budget rules. I think it's come up a couple of times, during this meeting, in different ways. We need to discuss whether we want to continue having individual CDD members performing

specific jobs, versus going to a full District Manager relationship. I would like to include this item on the agenda for the next meeting and have full discussion.

Mr. d'Adesky: I will prepare more thorough background information. I mentioned some things at this meeting, in terms of pros and cons, and I will bring that to the next meeting.

Mr. Williams: I appreciate that.

SIXTH ORDER OF BUSINESS

Staff and Board Reports

Mr. Robertson: Staff and Board Reports.

Mr. Mecsics: Can I get Public Safety out of the way first?

Mr. Robertson: Sure.

E. Public Safety

Mr. Mecsics: At the prior meetings, we talked about going out and doing a survey for traffic signs for the community. Our traffic signs are starting to show its age. I think we need about 15 new stop signs. I asked Mary for a quote from the sign company. The cost would be about \$1,500. I would like authorization from the Board to allow us to spend \$1,500 to replace stop signs that are in bad shape. I received a lot of comments from people saying that our stop signs are in bad shape, and that doesn't reflect positively on the community.

Mr. Robertson: I think that falls within my spending authorization, so we don't need a motion. We will go ahead and do that.

A. Attorney

Mr. d'Adesky: I don't have much to report on. The good news is that we wrapped up the bond issues. I actually did the first disclosure for that, so we are already reporting on the new bonds. As Doug mentioned, the bond information is posted on a public disclosure website called EMMA. Aside from that, I've been working behind the scenes on any issues brought to us. We always appreciate feedback. If there's a question, just give that to us so we can give you a full analysis. I

know it's hard with the long gaps between the meetings, but we are always willing to talk about issues, if you have any questions.

Mr. Murphey: I have the same question that I've had for a while, which is whether CDD property is on the driving range. Have you looked into that any further?

Mr. d'Adesky: I looked at it in terms of gross acreage, using a rough estimate. I'm not going to unilaterally order a survey that costs a couple of thousand dollars. I'm just estimating it based on my knowledge. In many other communities, there's often minor overlaps that have pluses and minuses. It's not a total wash. There is slightly more land that appears utilized by the golf course, than by the CDD, but there's CDD wetlands that come onto the golf course track as well. If we were to have a survey prepared, swap those lands out, by the time you are talking about title and my time to review that, it will probably cost more than that land is really worth, even if you looked at the value of what we are going to get back in exchange. From Alan's standpoint, typically if it's a minor overlap, there's not a real issue with compliance, but I will allow him to speak about that.

Mr. Rayl: I agree with Andrew. There's some natural over time minor migration of use. If it was something in conflict with the interest of the community and was something to really be concerned about, such as the encroachment of some landfill that goes outside of its boundaries, that makes a difference, but that's not the case here. I agree that the money spent trying to sort all of that out may not come anywhere near the value of the exercise. If there was a specific issue, I may deal with that on a case-by-case basis, but overall, putting all of these things in the right category, is not a good use of the District's time or funding.

Mr. Murphey: I was looking at it more from a standpoint of maybe having a piece of property that we might want to utilize to put in a pool or something like that. Half of the driving range is CDD property. I'm not saying that we go to him and say, "We want you to buy that property from us and pay for that property", but considering what he's charged us for some of these pieces of land, I don't think it is insignificant. We agree with you about the cost of doing all of this, unless it was some kind of simple

exchange, it would probably not be worthwhile. The property is utilized by a good percentage of the residents here, at least the ones that belong to the golf course.

Mr. d'Adesky: I see what you mean and I understand the intention behind it. A lot of these parcels we couldn't put a swimming pool on, because it's a wetland. You are not going to put a pool right next to a wetland. Even the largest chunk, where the netting is, isn't large enough for a use like that.

Mr. Murphey: I'm not suggesting that we put in a pool there.

Mr. d'Adesky: I can send a demand letter saying, "We identified some parcels that you are using, please pay us", but I wouldn't recommend spending more of my time than maybe that de minimis effort. We are not talking about filing any sort of action or going to court. Even trying to do the survey or to get the legal is going to take a significant amount of my time, which gets costly. I refrain from taking those actions, unless I have a specific Board directive.

Mr. Murphey: Maybe the Chairman can send a letter.

Mr. d'Adesky: I'm okay with that.

Mr. Robertson: So I should contact him and have a conversation.

Mr. Murphey: That's exactly what I'm talking about.

Mr. d'Adesky: That's the most cost-effective option.

B. Engineer

Mr. Rayl: First I wanted to mention to Ms. Wright that I already asked the City of Winter Haven about the hedge, and I will let you know when I find out whether we can move that over. One thing that I did not mention, which is a good thing for us, is through the course of permitting the pickleball court project through S.F.W.M.D., they notified me that the two existing courts did not get a S.F.W.M.D. permit back when they were constructed. I was surprised to learn that, but through the course of this permitting, we wrapped all of that up. We are in good shape with S.F.W.M.D. on everything we have done to date. In that same vein, the dog park issue is still out there. I think I forwarded some correspondence from S.F.W.M.D. about where that stands. I

continue to prod them. They nicely asked the developer to rectify the situation. I haven't received any response from them, and I'm not surprised. Now they are going to incentivize them to respond. They are turning it over to their enforcement section. They also confirmed that we should not touch this until it is cleared up, because if we did take that property, we also take that problem. They would go after the current owner. This is just an update. It's still ongoing. We will see it through to a resolution, and then the District will be able to get a dog park clear of any permitting issues.

Mr. Murphey: What is the issue?

Mr. Rayl: There is a migration of uses, because the dog park was expanded. During the initial development, fill was placed in wetland buffers behind the dog park. It was most likely inadvertent, but it's a wetland impact nonetheless. It was never approved or mitigated for. When we looked at the dog park site, and I prepared a survey for a transfer, I noticed that what we have in the field, did not match anything on any plat or plan, and that's how we discovered that there had been an encroachment into the wetland. I dutifully let S.F.W.M.D. know. It wouldn't have done anyone any good to not report that to them. They just need to bring their permit record up to date. I doubt that the mitigation that they would seek from the developer, would be any wetland creation. They may enhance the buffer, where it's at, just to emphasize the boundary between the recreational and conservation area. That's the crux of it. There was a minor, but unpermitted wetland impact. As Doug said, we reviewed the condition of all the streets, even those that have just been paved in the newly constructed area, coordinating and making sure that we are okay, before we accept the infrastructure. I will have my report completed next week. I took a lot of photos. On the ponds that we discussed earlier, I just wanted to mention that I've also been in discussion with S.F.W.M.D. on that. We raised some concerns early on that we are going to take on some ponds that don't look as nice as all the rest of our ponds. I know S.F.W.M.D., if it's not related to the function of the pond, they are not going to enforce anything. Bahia, St. Augustine, brush, none of those things are going to matter to them, whether it is completed, certified and transferred to operations. We can still require the

developer to do that. That's the backup behind the quotes that we saw earlier today. They don't have to give us a nicely sodded pond. They just have to give us a functioning pond that meets the plans and permits used to construct it. I'm also going to be in contact with the city about the status of all the clearances of the new construction work, to see where they are in their project. I don't know if they cleared their utilities for service and if they completed all of the inspections or had any preliminary walk-throughs. I know that the city doesn't take care of the streets, but there is still a standard on the plans that were approved by the city, and we want to make sure that has been met, for the storm sewer lines, which would go under the pickleball parcel. Finally, I wanted to report that there were some concerns brought up about the effects of the wetland areas on the northeast shore of Rattlesnake Lake. Adjacent residents were concerned, primarily about mold, termites and black deposits they were experiencing on their homes. We asked an environmental firm to conduct an inspection, make an evaluation and provide us with a report. I provided a copy to the Chairman, District Manager and District Counsel. The environmental scientist told me that it's actually a good quality wetland. They noticed a habitat and wildlife that were desirable out there. Even the material is dead; however, it is still a wetland habitat for birds that will only nest in snags in dead trees. I just wanted to report to the Board that it was looked into. There's nothing out of the ordinary going on there. There was no infestation of termites in the wetland or any adverse wildlife.

Mr. Murphey: Are there any health concerns?

Mr. Rayl: There were no health concerns. Nothing was found. The report was prepared by a certified environmental scientist. That concludes my report.

Mr. Murphey: You might have noticed the hydraulic oil leak. Is there anything that can be done about that? I'm told that a cement truck leaked the oil.

Mr. Rayl: The longer it's there, the harder it is to get rid of. It may be possible to hydroblast it off, but you have to be careful because you can also blast away your road. That's sometimes a method used to remove double plastic striping off of roadways, but it can affect the condition of the road.

Mr. Flint: Over time it will fade.

Mr. Murphey: It's pretty dark now. I have a lot of people calling me about it. That's why I'm bringing it up.

Mr. Rayl: If the source is known, it's probably not the first time it happened to them. It may be a good idea to get in touch with them and ask them to remedy that, and see what they come back to us with.

Mr. Robertson: I already put the developer on notice that it was there, and he's checking with the guard to find out which cement truck it was. He's going to come back to us.

C. CDD Manager

1) Consideration of Proposed Fiscal Year 2018 Meeting Schedule

Mr. Flint: The annual meeting notice, assumes that you want to continue to meet four times a year, like you did this year. Obviously, it's your choice if you want to meet more than December, February, May and August; however, those correspond with approval of the audit, approval of the proposed budget and the final budget. This would be the minimum number of times that you would want to meet throughout the year. It assumes that you would meet the second Friday of each month, at 1:30 p.m. in this location. The Board has to approve an annual meeting notice every year. We typically do it at your budget meeting. If you want to continue with quarterly meetings, a motion to approve this schedule would be in order. If you want to do it more often, on a different day or time, we would want to talk about any changes that you want to make.

Mr. Robertson: A member of the Board can request a special meeting.

Mr. Flint: Yes. This is just an annual meeting notice. If something came up that required a meeting, with a seven day notice in the newspaper, we can call a special meeting. It typically takes about 10 days; three days for the paper to publish it, and seven days to run.

Ms. Wright: Meeting four times a year is fine, but we can have a special meeting at any time. Otherwise, we have meetings scheduled for no reason.

Mr. Murphey: Is quarterly enough, Doug?

Mr. Robertson: Quarterly at this point.

Mr. Murphey: What are the dates?

Mr. Flint: December 8, 2017, February 9, 2018, May 11, 2018 and August 8, 2018.

Ms. Bosman: On December 8, we have a party in here starting at 5:00 p.m.

Mr. Robertson: Could we ask him to start a couple hours in advance?

Ms. Bosman: Last year, he was kind enough to forego that. We finished at 4:00 p.m.

Mr. Flint: If the meeting starts at 1:30 p.m., we can plan to adjourn at 4:00 p.m.

Mr. d'Adesky: You can always continue the meeting.

On MOTION by Mr. Murphey seconded by Mr. Mecsics with all in favor the proposed fiscal year 2018 meeting schedule was approved as-presented.

2) Discussion of Financial Disclosure Report from the Commission on Ethics - *everyone has filed*

Mr. Flint: Just as a courtesy, we confirm that all Board members filed their financial disclosure forms. All Board members filed, so we are in good shape.

D. Lake Ashton II Community Director

Ms. Bosman: Each of you has a copy of my report. I will have a copy of this for any resident that would like to look at it. Basically, it's a list of items that were completed since our last Board meeting.

Mr. Robertson: In the process of doing the remodeling, we identified why there were leaks in the windows, and we've come up with a solution. They are going to remove the windows from the inside, so we don't damage the stucco, shorten it by half-an-inch and put in a proper drip pan to collect the water and re-direct it down our walls and back outside. We will resolve the leaky window problem that we have had for the last 10 years. That's an ongoing thing, but that is good news. We know what the problem is and are solving it.

Mr. Murphey: Just the front windows?

Mr. Robertson: Yes. We are doing the first three right now.

E. Public Safety

This item was discussed previously.

F. Landscaping and Lakes

Mr. Murphey: I have nothing new to report. I continue to work with people that call me about certain items that need to be looked at. I met with Chris Bower, who is the account executive for Yellowstone this past Wednesday. If you see something that needs to be done, or could be done better, let me know. I think they are doing a good job. I don't have anything new to report. You will probably see Applied Aquatic spraying the lakes, to keep the unwanted vegetation down. It's a big job. I think they are out there every Wednesday.

G. Financial Reports

1) Approval of Check Run Summary

Mr. Flint: You have the check run summary for May 1 through July 31st, with checks totaling \$660,472.09. The detailed register is behind the summary. There was a \$400,000 transfer to the State Board of Administration. That's the investment account that we move the money in. It is earning about 1.5% right now, which is better than money market funds. It is run by the State Board for governments. There are probably some assessment receipts that have been transferred to the Trustee.

On MOTION by Mr. Mecsecs seconded by Mr. Murphey with all in favor the check run summary was approved.

2) Combined Balance Sheet

Mr. Flint: You also have the unaudited financial statements through June 30th. No action is required, but if you have any questions, I will try to answer them. We are 100% collected on our on-roll and off-roll assessments.

SEVENTH ORDER OF BUSINESS General Audience Comments

Ms. Crary-Leh: The trees that were a problem, were taken down at the owner's expense. It did have an infestation. If these invasive trees come back again, we do not want to incur the cost of bringing them back. The small trees on the other side are fine.

Mr. Zelazny has a request for the Supervisors to enter into a new interlocal agreement with LA I. An example of this is the new pickleball courts, that to date, have cost LA II \$120,000. This should have been a shared expense with LA I, in my opinion, as the majority of pickleball players reside in the east. Going forward, an example could be the addition of an outdoor pool that appears to be supported in the Focus 2020 survey results. A nature trail, fishing dock and walking paths were supported in the survey. Costs associated with these could total over \$1 million. Secondly, we need a procedure by which the amenities provided by either CDD are protected. Homeowners purchased their homes based on a set of offered amenities. These should continue to be offered. What comes to mind is when LA I considered closing the bowling alley, due to repair costs. This is an amenity that was offered when we purchased our homes. The restaurant is another example. We must have a mechanism that will protect us, if the amenities are reduced or not maintained at an acceptable standard. At prior CDD meetings, Mr. Robertson discussed the fact that the builder required the CDD to deed him 10 feet of property on certain lots, due to a change in the codes for the construction of cul-de-sacs. Mr. Robertson indicated that the builder would offer other land in exchange, in order for him to be able to build on these lots. After some discussion, Mr. Robertson said that any exchange of land would have come back to the Board for a vote. I have been unable to determine if that vote ever took place. What lands were exchanged and when was it discussed and voted on?

Mr. Robertson: Our cul-de-sacs need to be wider. It was 5 feet wide and 5 feet on the backside. There was no exchange of land. There was a change in the diameter. We approved the plat at the last meeting for the road. We did that at a public meeting, according to what we were supposed to do.

Mr. d'Adesky: That was just on the plat. There was no actual physical transfer. No deed was exchanged.

Mr. Robertson: There was no requirement to do that. It was taken care of appropriately. Are there any other comments?

Mr. Belder: I just wanted to talk about the security contract. My name is John Belder and I live on Green Drive. I thought you would discuss this quarter of million-dollar security contract during the budget. For \$671 a day it is like having Kardashian security. What is included in the \$671 per day? You mentioned keeping people that don't belong here out. We have been here roughly three hours. I never saw anyone walk through here and check IDs. What are we getting for quarter of million-dollars, above and beyond someone to write down license numbers when they come into the gate? I just wanted an explanation of what we are getting for that money.

Mr. Flint: The math is obvious. The gate is being staffed 24-hours a day, 365 days a year, and then you have roving patrol 24-hours a day, 365 days a year, times \$13.81 an hour. That's how you get to the \$240,000. I will let Mr. Mecsecs talk about the roving patrol portion. The gate staffing is obvious.

Mr. Mecsecs: It's not Kardashian security. When you break it out, as I have done for each household, it's \$30 a month. The protection of these assets, as well as the deterrent effect, in my opinion, is worth \$30 a month. Patrols are out there. I guarantee you when I am over here on weekends and during the day, they are out here, because I'm here. They have a GPS that tells them where they are at. The patrol also uses Google Maps. They ejected at least five to six people that didn't belong here. They are also out in the community 24 hours. They are out there to check on some of our property, our perimeter, especially the gate north of Pebble Beach. They watch the lights and let people know when they leave their garage doors open all night long. If that officer is out there, and you pass out and he helps you, that is worth \$30 a month. I understand, but this is not Kardashian security. I'm not trying to make any money or do anything that's extravagant. If you want to live in a less secure community, you have that right. For a lot of us, that was one of the main factors that we had when we moved here.

Mr. Belder: I certainly agree, but I am not seeing it.

Mr. Mecsecs: I will talk with you anytime. You are more than welcome to come on a ride along to see what they do. I will take the patrol car and we will ride along.

Mr. Belder: It is not about you and I; it's about the services that we contract with. I'm not seeing them. I would just like to see us getting our value.

Mr. Mecsics: You are.

EIGHTH ORDER OF BUSINESS Adjournment

Mr. Robertson: If there are no further audience comments, we need a motion to adjourn.

On MOTION by Mr. Robertson seconded by Ms. Wright with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman