

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

The regular meeting of the Board of Supervisors of the Lake Ashton II Community Development District was held on Friday, October 18, 2019 at 9:00 a.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
James Mecsecs	Vice Chairman
Bob Zelazny	Assistant Secretary
Stanley Williams	Assistant Secretary
Carla Wright	Assistant Secretary

Also present were:

Jillian Burns	District Manager
Mike Eckert	District Counsel
Alan Rayl	District Engineer
Numerous Residents	

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order at approximately 9:00 a.m., called the roll and the pledge of allegiance was recited. All Supervisors were present.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Zelazny requested an agenda item for an amenity policy change.

On MOTION by Mr. Mecsecs seconded by Mr. Robertson with all in favor amending the agenda to discuss a change to the amenity rules was approved.

THIRD ORDER OF BUSINESS

Public 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. Phil Hines disagreed with the Board's comments at the last meeting that the dog park was not a social event. It was a place people could relax and play with their dogs. A gazebo was necessary to provide shade.

Mr. Bob Sosinski stated that Lake Ashton was a social community and the purpose of the gazebo was to provide shade for handicapped people; however, there should not be a metal enclosure due to lightning.

Ms. Carol Corley stated although metal was a conductor of lightning, it did not attract lightning.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 22, 2019 Meeting

Ms. Burns stated District Counsel provided comments, which were incorporated.

On MOTION by Mr. Zelazny seconded by Mr. Mecsics with all in favor the Minutes of the August 22, 2019 Meeting were approved as amended.

FIFTH ORDER OF BUSINESS

Unfinished Business

A. Discussion of Golf Course Acquisition

1) Update

Mr. Zelazny provided a brief update on the amount spent, how money was spent, and the total cost of ownership. The total purchase price from acquisition to owning the property was \$885,719 or \$1,300 per household, to be paid back over a period of six years.

Mr. Robertson requested an update on memberships.

Mr. Zelazny reported memberships were down this year, but snowbirds did not yet pay their fees. Revenues were \$200,000 short of last year.

Further discussion ensued.

2) Discussion of Due Diligence Items and Punchlist Items (requested by Supervisor Williams)

Mr. Eckert presented the following due diligence items:

1. Boundary Improvement Survey: Staff would obtain a survey of the east course only in the event there was an Interlocal Agreement with the Lake Ashton CDD

Mr. Zelazny moved to obtain a survey of the west portion of the golf course and a portion of the east side, if approved by the Lake Ashton CDD Board and Mr. Mecsics seconded the motion.

Mr. Robertson asked if the District was paying the total purchase price of the golf course upfront.

Mr. Eckert stated the District would not pay until the east portion was approved.

Mr. Robertson questioned if the District must either acquire the total golf course or find a designee within five years.

Mr. Eckert responded it depends on the agreement.

Mr. Mecsics confirmed the District only intended to spend \$19,000.

On VOICE VOTE with all in favor obtaining a survey of the west portion of the golf course and a portion of the east side in the amount of \$19,000, if approved by the Lake Ashton CDD Board was approved.

2. Title Search and Examination
3. Building Inspection: Not-to-exceed amount of \$5,830 for the equipment shed and storage for the maintenance area
4. UCC Judgement: \$750
5. Phase I Environmental Site Assessment: Not-to-exceed \$6,000 for both golf courses
6. Review Equipment Lease: Not-to-exceed \$500
7. Review of Golf Course Management Agreement
8. Zoning and Development Approval and Compliance Verifications: Not-to-exceed \$500
9. Compliance Certificate from Department of Revenue: Not-to-exceed \$500
10. Estoppel Letter Fees to HOAs
11. Liquor License
12. License Tax Record and Food License Reviews
13. Field Identification of Golf Cart Encroachments: Board members with familiarity would walk the golf course with the District Engineer

Mr. Robertson noted areas where the cart path encroached lot owner's property.

Mr. Eckert stated the survey would identify these areas, but some easements were granted; he was not aware of any current issues.

Mr. Williams provided pictures and a list of cart paths that were egregious.

Mr. Eckert directed Mr. Williams to send the pictures and list to Mr. Rayl to address any concerns.

14. Physical Inspections of Infrastructure: The District Engineer, a Board Member and Golf Course Operator would inspect horizontal infrastructure, drainage, ponds, bridges and fencing. Mr. Zelazny volunteered.

Mr. Rayl stated the ponds were maintained to Southwest Florida Water Management District (S.W.F.W.M.D.) guidelines, but there was an aesthetic issue.

Mr. Williams asked if the District was taking on the financial responsibility to maintain it.

Mr. Robertson responded there were some maintenance issues and the Board agreed to wait until the District owned the golf course. There was a current contract with Applied Aquatics.

After further discussion ensued,

On MOTION by Mr. Mecsics seconded by Mr. Zelazny with Mr. Robertson, Ms. Wright, Mr. Mecsics and Mr. Zelazny in favor and Mr. Williams dissenting, appointing Mr. Zelazny to inspect golf cart paths with the District Engineer to identify encroachments was approved. (Motion Passed 4-1)

3) Consideration of Resolution #2020-01 Seeking Recreation Powers from the City of Lake Wales

Mr. Eckert stated upon approval by the Board, the resolution would be presented to the City of Lake Wales.

Mr. Zelazny moved to adopt Resolution #2020-01 Seeking Recreation Powers from the City of Lake Wales and Mr. Mecsics seconded the motion.

Mr. Robertson asked if the Lake Ashton CDD Board agreed to enter into the interlocal agreement, facilitate the process and acquire the land, whether this resolution would be necessary.

Mr. Eckert responded that it was prudent to adopt the resolution and was money well spent.

On VOICE VOTE with all in favor Resolution #2020-01 Seeking Recreation Powers from the City of Lake Wales was approved.

4) Consideration of Interlocal Agreement between Lake Ashton CDD and Lake Ashton II CDD Regarding the Acquisition, Operation and Maintenance of the Golf Club

Mr. Eckert presented the interlocal agreement and key points. It was designed to take many concerns the Lake Ashton CDD Board had into account, while providing control to Lake Ashton II CDD of the common areas that abutted residences. Once approved, the agreement would be presented to the Lake Ashton CDD Board on Monday for consideration.

After further discussion ensued,

On MOTION by Mr. Zelazny seconded by Mr. Williams with all in favor the interlocal agreement between the Lake Ashton CDD and Lake Ashton II CDD regarding the acquisition, operation and maintenance of the golf club was approved in substantial form; and the Chair was authorized to execute it, subject to final review by District Counsel.

Mr. Zelazny questioned the timeline between today and the closing on December 14 and whether a meeting should be scheduled.

Mr. Eckert indicated he would distribute a milestone chart to the Board based on the due diligence items and anticipated two meetings; one in the first week of November to discuss the due diligence items and one a week later for the Board to provide direction. Before the due diligence period ends, the Board must approve a form of the deficit funding agreement that was in the purchase and sale agreement.

B. Reconsideration of Request to Install Gazebos at the Dog Parks
(requested by Supervisor Zelazny)

Mr. Zelazny indicated he had received numerous calls from residents requesting reconsideration of the gazebos at the dog park and was in favor of installing the gazebos.

Mr. Zelazny moved to reconsider the request to install gazebos at the dog parks and the motion was seconded by Mr. Meccsics.

Ms. Wright questioned who purchased the gazebos.

Mr. Zelazny responded the gazebos were not approved or purchased by the CDD, they were donated.

Ms. Wright felt that the Board was setting a precedent for a group to purchase materials for CDD facilities without asking the Board first.

Mr. Zelazny stated the Board had the right to say no.

Ms. Wright recalled the Board said no twice, regarding non dog owners not being included in the process.

Mr. Robertson stated the dog parks were on public land and anyone was allowed to enjoy it.

On VOICE VOTE with Mr. Zelazny, Mr. Robertson and Mr. Mecsecs in favor and Mr. Williams and Ms. Wright dissenting, reconsideration of the request to install gazebos at the dog parks was approved. (Motion Passed 3-2).

SIXTH ORDER OF BUSINESS

New Business / Supervisors Requests

A. Discussion on Road Repairs *(requested by Supervisor Williams)*

Mr. Robertson reported the Board received the road repair list at a prior meeting; 13 items were slated for repairs at this time.

Mr. Rayl stated all areas were marked. It was not final, and the cost would be negotiated with the contractor for cost savings.

Mr. Williams requested a not-to-exceed amount of \$21,000 and voiced concern about standing water.

Mr. Zelazny felt that the Board should be prudent in prioritizing the road repairs, as the budget was \$25,000, and was more concerned about cracks in Miami Curbs near drainage ditches and dips in roads.

Mr. Rayl explained the roads were designed to take water off of the street and down the drains, but not every single drop of water. Mr. Zelazny felt there was room for further negotiation.

Mr. Williams moved to complete the most egregious items on the road repair list in an amount not-to-exceed \$25,000; subject to further negotiation and Mr. Zelazny seconded the motion.

Mr. Mecsecs voiced concern about \$25,000 being spent in the first month of the new fiscal year.

Mr. Williams questioned whether there were savings from combining work in one area and whether there were reserve funds.

Mr. Zelazny believed \$25,000 for roads was insufficient and suggested withholding at least \$10,000 for the last six months of the year.

Ms. Wright stated there were contingency funds.

Mr. Rayl would speak to the contractor about combining roads in close proximity and performing the work in phases.

Mr. Robertson suggested tabling this matter until the next meeting in three weeks.

On VOICE VOTE with all in favor completing the most egregious items on the road repair list in a phased manner in an amount not-to-exceed \$25,000; subject to further negotiation was tabled until the next meeting.

B. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2019

Ms. Burns recalled at the last meeting Grau & Associates was selected as auditor and this was their form of agreement. Additional language was included in the signed agreement. The cost was \$4,800 and there were four renewals.

On MOTION by Mr. Mecsics seconded by Mr. Zelazny with all in favor the engagement letter with Grau & Associates to perform the audit for the fiscal year ending September 30, 2019 in the amount of \$4,800 with four renewals was approved.

C. Amenity Policy (Added)

Mr. Zelazny presented a change to the amenity policy, changing “dog” to “pet” to allow all pets to utilize the park. There were no public comments.

On MOTION by Mr. Zelazny seconded by Mr. Robertson with all in favor the change to the amenity policy as stated was approved.

SEVENTH ORDER OF BUSINESS

Staff and Board Reports

A. Attorney

There not being any report, the next item followed.

B. Engineer

Mr. Rayl reported the fire department confirmed all fire hydrant locations throughout the community.

C. CDD Manager

Ms. Burns presented a renewal to the insurance policy for the upcoming fiscal year. Since this District had direct employees, \$500 in crime coverage was suggested.

On MOTION by Mr. Zelazny seconded by Mr. Williams with all in favor the renewal to the insurance policy for fiscal year 2020, with an additional \$500 for crime coverage was approved.

Mr. Zelazny asked Ms. Burns about the TECO bill.

Ms. Burns stated when they switched from two bracket lights to single TECO did not reduce their bill. \$3,200 would be credited to the District in the next bill. TECO was confirming whether a credit was issued for the LEDs.

D. Lake Ashton II Community Director

Ms. Burns presented the Community Director Report.

Mr. Robertson spoke to Ms. Bowman about allocating space for Brevard Lawns to store their maintenance equipment. One area was 10'x10' and the other was 20'x30'.

Mr. Zelazny suggested further research and moving it down the priority list.

Mr. Robertson requested an update on the website, *lakeashtonliving.com*.

Mr. Zelazny reported the website met all ADA requirements. A portion of the website would be privatized.

Ms. Burns felt the CDD handled everything and staff was using Constant Contact® for e-blasts. The CDD would no longer be involved with the resident directory.

Mr. Robertson asked if Constant Contact® could be used for posting golf course and restaurant activities.

Mr. Eckert advised it was not prohibited, but the CDD should be careful of promoting private business activity.

Ms. Burns suggested posting golf course and restaurant announcements on *ashtonliving.net*, which had no affiliation with the CDDs.

Mr. Robertson asked for Supervisor comments.

Mr. Zelazny suggested having a question and answer period at an upcoming meeting or scheduling a Town Hall meeting between now and the end of November and a security discussion at the conclusion of this meeting.

The record will reflect that Mr. Williams left the meeting.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Run Summary

B. Combined Balance Sheet

Ms. Burns presented the Check Run Summary from September 15, 2019 through October 8, 2019. There were no questions.

On MOTION by Mr. Zelazny seconded by Mr. Mecsecs with all in favor the Check Run Summary was approved.

Mr. Robertson questioned the transfer of \$27,000.

Ms. Burns explained there was an earnest deposit for the golf course purchase; however, there were insufficient funds in the general fund, so staff received authorization to transfer the funds from the capital reserve.

NINTH ORDER OF BUSINESS

Public Comments

Mr. Al Goldstein announced the next City Commission meeting would be on November 5, 2019. The CDD's request for recreational permission must come before the City Commission and directed staff to contact the City Manager.

Ms. Janice Gordon, Ms. Sharon Carol, Ms. Cheryl Hedstrom, and Ms. Karen Wackerle each addressed issues with Winged Foot Lane Pet Play Park and committee members were being verbally abused by residents.

Mr. Robertson stated the verbal abuse was being handled through the CDD amenity process.

Ms. Wackerle stated the anonymous donor withdrew the offer to pay for the gazebo at Winged Foot Lane Pet Play Park due to the behavior of residents; however, due to the generosity of other residents, there were sufficient funds to purchase and install the gazebo.

Mr. Tom McCartney suggested posting signs stating the gazebos did not provide lightning protection and having a slide presentation at the Town Meeting or an email blast regarding the golf course to quench any rumors or miscommunications.

At this point, the Board requested all residents to leave the meeting, so the Board could have a private security discussion, which was not required to be part of the public record. At the conclusion of the discussion, the meeting would be adjourned.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Williams seconded by Mr. Zelazny with all in favor the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman