

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

A communications media technology meeting of the Board of Supervisors of the Lake Ashton II Community Development District was held on April 24, 2020 at 10:00 a.m. via Zoom video conferencing, in accordance with the Office of the Governor, Executive Orders 20-52 and 20-69, due to the COVID-19 virus.

Present and constituting a quorum were:

Doug Robertson	Chairman
James Mecsics	Vice Chairman
Bob Zelazny	Assistant Secretary
Stanley Williams	Assistant Secretary
Carla Wright	Assistant Secretary

Also present were:

Jill Burns	District Manager
Sarah Sandy	District Counsel
Alan Rayl	District Engineer
Mary Bosman	Community Director
Numerous Residents	

The following is a summary of the discussions and actions taken at the April 24, 2020 meeting, and a copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order at 10:08 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. Mecsics requested a discussion on the coronavirus under Staff and Board Reports. Mr. Robertson indicated this item would be discussed under Item 6B.

On MOTION by Mr. Robertson seconded by Mr. Mecsics with all in favor the meeting agenda was approved as amended.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda *(the District Manager will read any questions or comments received from members of the public in advance of the meeting; those members of the public wanting to address the Board directly should first state his or her name and his or her address. All comments, including those read by the District, will be limited to 3 minutes)*

Ms. Burns received the following questions and comments from residents in advance of the meeting:

- Resident (Roy Aull, Pinehurst Loop) requested a small pavilion with a picnic table by the lake and additional recreational facilities for the 150 new homes.
- Residents (Rachael & Chris Verges) requested the Board review the Open Gate Policy for the Winged Foot dog park, due to the COVID-19 Pandemic.

Ms. Burns asked for any additional public comments. There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the March 13, 2020 Meeting

Ms. Burns presented the minutes from the meeting held on March 13, 2020. There were no corrections or comments.

On MOTION by Mr. Mecsecs seconded by Mr. Robertson with all in favor the Minutes of the March 13, 2020 Meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Unfinished Business

A. Transition Update from Billy Casper Golf

Mr. Zelazny presented the following update:

- Billy Casper Golf (BCG) was onsite this week to evaluate the changes and playing conditions. They would be onsite the rest of this week and be fully on board by April 26.

- A soil analysis was planned, and the Sun and Lakes Superintendent would work with BCG to determine best way to proceed with the greens.
- Those employees receiving offer letters will receive them on Monday. They would not lose their vacation days or seniority and immediately be enrolled in the BCG 401K program.
- The Director of Golf from Willowbrooke Golf will be onsite next week to inventory the merchandise.

Mr. Williams questioned whether BCG anticipated any additional charges or decreases in the budget over the next couple of months. Ms. Burns noted savings in travel expenses due to the pandemic. Ms. Sandy advised BCG was required to submit budgets for this fiscal year and next fiscal year in the next 30 days. Discussion ensued.

B. Consideration of Golf Course and Food & Beverage Management Agreement with Billy Casper Golf, LLC.

Ms. Sandy presented the Management Agreement with BCG, which included the following:

- Five-year term plus one renewal for an additional five years.
- BCG submitting an annual report including a budget for the upcoming fiscal year by May 1 of each year.
- An \$8,000 monthly management fee and incentive fee equal to 15% of gross revenues versus operating expenses, but not greater than 50% of the management fee.
- Service performance rating (performed by Golf Club Advisory Committee) and a point system.
- Attending Board meetings on a monthly basis at the request of the Board.

On MOTION by Mr. Robertson seconded by Mr. Zelazny with all in favor the Golf Course and Food & Beverage Management Agreement with Billy Casper Golf, LLC was approved, subject to adding Mr. Zelazny as the Board's representative.

C. Consideration of Memorandum of Lease Agreement

Ms. Sandy explained the Memorandum of Lease Agreement. It was signed and in the recording process. No action was required.

D. Consideration of Reciprocal Easement Agreement

Ms. Sandy explained under the Interlocal Agreement with Lake Ashton I, a Reciprocal Easement Agreement was required between the Districts to provide the landowners, residents and authorized users access to pathways and bridges. This agreement could not be negotiated until after the closing. District Counsel did not agree with the following provisions:

1. Section 1.3, providing the Rules and Regulations shall not be modified or amended in such a manner that would violate the Interlocal Agreement. *This statement results in a breach of the interlocal if the easement is breached.*
2. Section 1.8, providing for a perpetual insurance requirement. *The District already negotiated insurance requirements under the lease.*

Discussion ensued and the Board agreed with the removal of Section 1.8.

Mr. Robertson MOVED to approve the Reciprocal Easement Agreement with the Lake Ashton CDD in substantial form with the removal of Section 1.8 and Mr. Mecsics seconded the motion.

Mr. Williams referred to the last line of Section 1.3. It was another step that caused issues so Lake Ashton CDD legal staff could get more control. Ms. Wright felt that the Lake Ashton II Board should be making the conditions and requested Ms. Sandy renegotiate with their District Counsel. Ms. Sandy requested the Board approve the agreement in substantial form, subject to removal of the last line of Section 1.3 and Section 1.8.

On VOICE VOTE with all in favor the Reciprocal Easement Agreement with the Lake Ashton II CDD was approved in substantial form with the removal of the last line of Section 1.3 and Section 1.8.

E. Discussion regarding Options for holding FY 2020-2021 Budget Workshop and Board discussion

Ms. Burns recalled the budget workshop was supposed to be held today, but was not held due to the remote meeting. The deadline for approving the preliminary budget was June 15. Mr. Zelazny proposed two budget workshops, as there were serious budget issues that were time consuming, which must be considered at two meetings early in July. Holding teleconferences was better than delaying meetings.

Ms. Burns confirmed the next Board meeting was on May 27 and suggested scheduling a budget workshop for May 28. Ms. Wright suggested continuing the meetings, if further discussion was needed, as she was obtaining estimates for bridge and cart path maintenance. Ms. Burns would ask BCG for assistance based on their experience. Mr. Rayl received quotes on a second tier of repairs, but the Board decided to hold off, except for the inlet top at Pebble Beach Boulevard and Sawgrass Drive, which was completed. Further maintenance would not be undertaken this year, as the Board's direction was to put everything on hold.

Discussion ensued and there was Board consensus to extend the next meeting by two days, hold the public workshop, and continue if necessary. Ms. Sandy advised the Executive Order only allowed virtual meetings until May 8 and requested the assistance of a Board Member to discuss the best way to hold the meeting. Ms. Bosman was looking at podcasting meetings. Ms. Burns needed the amount of the increase to send the notice to residents. Mr. Robertson recommended the Board setting the maximum amount of operation and maintenance (O&M) assessments at the May 27 meeting, adjust over the next three months and finalize at the August meeting.

Regarding the golf course rate structure, Mr. Robertson suggested discussing the rates with Mr. Maxwell prior to the May meeting. Ms. Sandy advised at the May meeting, the Board would adopt a resolution changing the golf rates and setting the public hearing. Mr. Mecsics would work with BCG regarding the budget, with Mr. Maxwell regarding the golf course rates and with Ms. Burns on ways to hold the meeting during the pandemic. The proposed rate structure would be presented to the Board at the May meeting, and if the Board was acceptable, the public hearing would be held in July. Ms. Burns suggested setting the public hearing date at the May meeting when the rates were finalized. Mr. Zelazny would coordinate with Ms. Bosman

SIXTH ORDER OF BUSINESS

New Business/ Supervisors Requests

A. Discussion of Resolution 2020-06 Announcement of Board Seats Up for November General Election

Ms. Burns noted Seats 2, 4 and 5 were up for election in November to any qualified elector; 18 years of age, a citizen of the United States, legal resident of the State of Florida and registered voter with the Polk County Supervisor of Elections. The qualification period was Noon on June 8 through Noon on June 12, 2020.

On MOTION by Mr. Robertson seconded by Ms. Wright with all in favor Resolution 2020-06 announcing the Board seats up for election in November was adopted.

B. Discussion and Consideration of Staffing Amenity Facility during Closure

Ms. Burns reported that currently all Amenity Center staff were deemed essential and continued to work. The Stay at Home Order was in place through the end of the month. At this time, it was unknown whether it would be extended. She asked if the Board wanted to continue to have staff onsite and direction on staff that qualified for COVID leave and exhausted their sick or vacation time.

Mr. Robertson decided to lock the restrooms at the golf course. Mr. Williams was in favor of closing the dog park gates. Ms. Wright opined the dog park should remain open with cleaning and disinfecting during the day. Ms. Sandy advised if the Board allowed the dog park gates to remain closed, there should be additional sanitizing and disinfecting. Since the dog park was an open space and the Executive Order provided for recreational activities, if there was social distancing, Ms. Sandy suggested speaking with the District's insurance agent for further action. Mr. Mecsics suggested pet clubs provide latex gloves to residents to wear upon entering and exiting the dog park. After further discussion, there was Board consensus to not change the current policy.

Regarding the employees, Mr. Robertson asked the Board for direction on the policy for employees that did not or could not come to work, were not able to work remotely, exhausted their sick leave, vacation leave, and additional Cares Act leave. If the employee was terminated and the employee collected unemployment, the District's

unemployment insurance rates would increase; however, being terminated would not preclude the District from re-hiring the employee. After further discussion, there was Board consensus to follow the current policy of the District.

Mr. Williams questioned when the pickleball and tennis courts would reopen. Mr. Robertson voiced concern about transmission of the virus from participants utilizing the same balls and was waiting for further guidance from state and county officials. Ms. Burns anticipated further direction when the Stay at Home Order expired at the end of the month. Staff was reviewing policies and procedures for when facilities start opening.

C. Consideration of Cargo Lift of Maintenance Area (requested by Supervisor Robertson)

Mr. Robertson stated the cargo lift would be installed in the air conditioned room above the staff room so staff could perform maintenance work. He thanked Mr. Mecsics for this suggestion.

On MOTION by Mr. Zelazny seconded by Mr. Mecsics with all in favor the quote from Lifts LLC.Com to install a cargo lift in a maintenance area in an amount not-to exceed \$10,000 from the Contingency Fund was approved.

SEVENTH ORDER OF BUSINESS

Staff and Board Reports

A. Attorney

Mr. Mecsics voiced concern about legal costs and if contracts could be approved by the Board versus the attorney preparing contracts. Ms. Sandy explained in the past, the Board requested contracts for large expenditures, ongoing maintenance items and access to CDD property issues, and was comfortable using short form purchase orders versus contracts prepared by paralegals.

Mr. Zelazny suggested paying for the cargo lift out of capital funds versus the contingency.

B. Engineer

Mr. Rayl reported the Water Use Permit was transferred from the golf course to the District and the Environmental Resource Permits were being transferred from the Southwest Florida Water Management District (SWFWMD). There were a total of 11 permits transferred thus far; three were submitted and were in process and six were in

the CDD's name. In the last month, maps of lake buffers were prepared with historicals versus present conditions. The inlet top repair at Pebble Beach Boulevard and Sawgrass Drive was completed. Mr. Robertson requested the cones remain to protect the area. Mr. Zelazny noted poles and chains were placed at the main entrance to Pebble Beach Boulevard for this purpose.

Mr. Robertson reported the contract was cancelled with the landscaper completing the landscaping around Eagle's Nest for the small triangle of land between Holes 16 and 17 that was now part of Yellowstone's contract. There must be coordination with Yellowstone and a credit should be issued. Mr. Zelazny stated the area around the pro shop would be maintained by BCG. He and Ms. Bosman would coordinate with Yellowstone next week. Yellowstone cut down the landscaping around all ponds and Applied Aquatic was treating the ponds. There was improvement with 95% of the ponds; however, the overgrown ponds would take time. Mr. Robertson received favorable comments.

C. CDD Manager

Mr. Zelazny questioned the status of the redesign of the website. Ms. Burns stated staff would be working on the website next week. Mr. Zelazny requested staff coordinate with him on the website so it was user friendly.

D. Lake Ashton II Community Director

Ms. Bosman presented the Community Director report, a copy of which was attached to the minutes of this meeting, and thanked the Board for approving the cargo lift. Magic Genie agreed to temporarily suspend its contract for cleaning, and on-site staff is currently completing the cleaning. The pool resurfacing will start today, which was good news. Yesterday, a light was rewired at the swimming pool, which saved the District \$2,000. The puzzles on the card tables outside of the Community Center were a huge success. There was a process to disinfect them. Residents were receptive to the virtual fitness classes. The fitness instructors were doing a good job.

Mr. Mecsics thanked Ms. Bosman for her hard work. Mr. Zelazny noted since the day HFC initially closed, Ms. Bosman and her staff have been working to get the resurfacing completed. It should be completed in 30 days. There will be tiled swim lanes and safety lanes in the pool for lap swimming thanks to residents. Mr. Robertson reported

Eagles Nest was offering takeouts and deliveries. Leaks in the soda and beer fountains were repaired. They were looking at pressure cleaning Mulligan Lane's side of the clubhouse. Mr. Robertson asked the Assistant Pro to monitor patrons on the golf course between 4:00 p.m. and 6:00 p.m. on a frequent basis, due to complaints about non-members playing golf, but there were no significant problems at this point in time. Mr. Zelazny requested Ms. Bosman send out an e-blast stating the golf course was open for play and non-members should call the pro shop for a tee time. Mr. Robertson suggested a golf course etiquette card be distributed to golfers. Mr. Zelazny will work with Ms. Burns and BCG on the cards. Discussion ensued regarding the utilization of Mr. Mecsics time efficiently to maintain Eagle's Nest.

EIGHTH ORDER OF BUSINESS

Financial Reports

- A. Approval of Check Run Summary**
- B. Combined Balance Sheet**

Mr. Williams questioned the Golf Course Acquisition Fee on Page 4, under the General Fund. Ms. Burns explained the acquisition and due diligence tasks for the golf course were paid from the General Fund.

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

- C. Comments on March Financials (documents provided by Supervisor Zelazny)**

Mr. Zelazny recommended the following to provide over \$20,000 at the end of the year for Fund Balance:

- Transferring approximately \$24,000 from the Capital Budget to First Quarter Contingency Fund to cover the deficit.
- Amending Yellowstone's contract to modify the mowing schedule around the ponds to save between \$5,000 and \$10,000.
- Reducing security costs.
 - Mr. Mecsics proposed reducing community security forces from 24-hour coverage to 12-hour coverage, and forming a Security Force

Auxiliary to supplement the current neighborhood watch programs and when security forces were not available. This would save approximately \$52,000.

There was Board consensus to modify the security hours. Mr. Mecsics would work with the Lake Ashton CDD to determine the savings with the consolidation of contracts.

- Requesting the Amenity Manager to limit all Administrative and Field Expenses or must fund items only until the end of the fiscal year.
- Looking at ways to improve the Capital Budget as there was a shortfall of \$226,000 in the General Fund.
- Limiting future repairs to critical and central repairs to \$25,000.
- Refunding \$10,000 for athletic equipment, which would be paid out of capital reserves and \$12,000 for landscape replacement, leaving \$1,100 for necessary projects.
- Continuing to fund \$10,000 in Other Capital Projects to accomplish small repairs such the pool heater, sauna and certain specific projects currently in the approved budget.
- Establishing a fund for the air handler, which was well past life expectancy.

For the Golf Course Fund Budget, Mr. Zelazny noted, "*Due from General Fund*" was moved from prior owner and "*Due from Other Funds*," and asked if the General Fund would be responsible for \$40,000 being transferred to the Golf Course Fund. Ms. Burns recalled an invoice was paid out of the General Fund instead of the Golf Course Fund. In addition, \$240,000 under "*Improvements*," which was used to draw down the premium on the purchase of the golf course, could not be an asset for the golf course. Ms. Burns stated staff was waiting to see how the auditors wanted it coded.

- Reaching out to the seller to begin the process of making the necessary funds available to cover the deficit, and authorizing Mr. Mecsics to work with Ms. Sandy.
- Basing the inventories of food and liquor in the pro shop on the BCG inventories.

Mr. Zelazny requested the Board consider issuing an assessment of \$400 per household for the budget workshop based on the following:

- The golf course lien payment, which was identified as a debt.
- Recurring capital projects amounting to \$60,000 per year.
- Capital reserve for each year, which were included in last year's Reserve Study.
- Approximately \$2.6 million in revenue that was necessary to operate capital projects and repay the golf course. It did not address any additional funding to the General Fund.
- Without any assessments, the District would have a deficit of \$1.6 million starting next year.
- Address the requirements of aging infrastructure approaching operational lifespan.

Mr. Mecsics reminded the residents and the Board there were no changes in operational assessments in eight years. Mr. Zelazny requested the Board review the Reserve Study to figure out where they needed to be through 2028. Mr. Robertson agreed it was justified based on the numbers. Discussion ensued.

NINTH ORDER OF BUSINESS

Public Comments

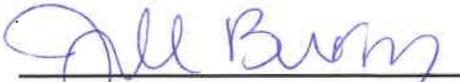
A resident thanked both CDD Boards for their hard work on the ponds. They were starting to come back. He questioned the transfer of ownership to a private vendor, which was mentioned during the presentations and assumed it was speculation. The resident hoped there were no plans or proposals. Mr. Robertson confirmed there were no plans or discussions about any transfers. The resident hoped the cargo list had a good warranty and felt there was good information from Mr. Zelazny on the financials.

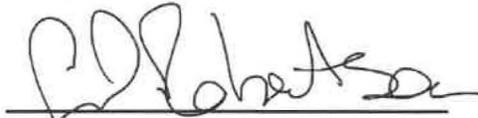
TENTH ORDER OF BUSINESS

Adjournment

There not being any further business to discuss,

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


Secretary / Assistant Secretary


Chairman / Vice Chairman