

**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 Wednesday, May 27, 2020 at 9:15 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 Mecsecs	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
Brian Rhodes	Billy Casper
Ron Lavoie	Billy Casper

The following is a summary of the discussions and actions taken at the May 27, 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 9:15 a.m., called the roll and the pledge of allegiance was recited.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Ms. Wright requested that the budget discussion take place today and Mr. Robertson requested that the Hart Lake discussion take place under the budget discussion.

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

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda

Residents had the following comments: A few residents look forward to the opening of the pickleball court for doubles, questioned the locking of the pickleball court at night, use of waivers for amenities, who pays for street/road repair, driving on golf path in the evening 18 to 1 should be enforced, residents should be able to ask questions and get answers.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the April 24, 2020 Board of Supervisors Meeting

On MOTION by Mr. Mecsics seconded by Mr. Robertson with all in favor the minutes of the April 24, 2020 meeting were approved as amended by district counsel.

FIFTH ORDER OF BUSINESS

Unfinished Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

New Business/Supervisors Requests

A. Consideration of Resolution 2020-07 Setting the Public Hearings, Approving the Proposed Fiscal Year 2021 Budget and Declaring Assessments (Suggested Date August 21, 2020)

I. Documents Related to Budget Discussion (provided by Supervisor Zelazny)

Hart Lake Discussion added to this item

Ms. Burns gave an overview of the updated proposed budget, rental revenue, remove athletic equipment line item, increase engineering, separated landscape maintenance and lake maintenance, replenishing reserves at \$250 per lot.

The following issues were brought up and discussed: amount and source of carry forward surplus, amount of transfer of excess revenue, starting numbers to be correct and realistic, incorrect coding of expenditures, responses from accounting within a maximum five days.

Bridge and cart path repairs to be coded to roads and renamed public works on the budget also provide to the accountant and put in additional \$5,000 - \$7,000 for those items, longitudinal wear strips for bridges should be a capital project, do inventory of cart path conditions annually, reseal bridges with water proofing, small projects should come out of other capital projects and transfer money from O&M contingency, Sharyn sets up accounts and doesn't send the information to Mary and Carla, set up review between the three to review the accounts,

Keep athletic equipment line item and put in the service contract in that line.

Increase special events budget by \$5,000, increase in salary from \$18 to \$20 for James, performance bonus line item, \$5,000 to \$10,000 establish criteria, district counsel will set up parameters.

Capital projects: racquetball court and basketball court, fitness equipment contingency of \$18,500, kitchen equipment – ice machine \$10,000, HVAC contingency \$120,000, 2 water heaters to be replaced,

Continue to fund annual projects at \$60,000 plus \$7,000 for bridges and pathways, defer fitness center floor \$15,000, defer the exterior painting of the building by a year \$15,000, contingency of \$120,000 for HVAC, fund 2 water heaters at \$2,000, fund racquet ball court at \$8,000, basketball court at \$9,000 and put in gym equipment contingency at \$8,000, capital for ice machine at \$10,000 and two pool pumps at \$4,000.

Mr. Zelazny reviewed the excel spreadsheet of all the capital projects that included road resurfacing and suggested at \$400 per year per household increase through 2028.

Ms. Burns will work with Carla to integrate the comments and changes into the budget and use the \$400 increase as the basis of the mailed assessment notice to the residents and the board will finetune those items over the next few months.

Mr. Zelazny outlined the Hart Lake area issues, being the treatment of the weeds in the lake and indicated that the board would not support that and the residents would have to bear the approximate cost of \$700 to have the weeds removed and the maintenance of the buffer zone, and we are waiting on a proposal from Yellowstone. Applied Aquatics came in a little under \$8,000 to clean out the invasive plants. They have asked us to consider putting that in the budget this year to maintain the lake. In some homes there is only 30 feet between the property line and the lake and in others we are

maintaining about 110 yards of greenspace and ponds already. The residents believe the lake used to be maintained by the CDD and they would like us to return to that practice. Mr. Zelazny said that he was unable to find a contract where the district maintained the buffer zone. The request is to have it maintained the same as Rattlesnake Lake and that is maintained to the stakes that were placed by Alan.

Mr. Rayl indicated the stakes were put in on the exact limits of the wetland buffers per the plat. Some of the exhibits provided in the past have shown mowing into the buffers and in some areas it was into the wetland. You can see in the more current exhibits how those areas have returned to a more natural state based on confirming the platted buffer line. We set it as far to the wetland that we were allowed.

Mr. Robertson commented we didn't do anything arbitrarily, we put it at the legal limit to give the most allowed by law. We have never maintained Hart Lake; the only thing we have done around Rattlesnake Lake was between Pebble Beach end of houses and the first green and that was done by some residents that made a contribution to improve that area. Up until now we have not spent money maintaining private views of lakes for people. We have spent community money on community things and if we were to start spending here, we would be asking people without views to spend money to improve somebody's private view in their backyard. \$700 is not a lot of money for the residents to split between themselves.

Ms. Sandy commented we discussed this in August of last year. The board can change its policy at any time; however, at that time, the board took the position that if a homeowner wanted to pay to fund the maintenance then the district would work with them to pull the permit and do the work, but the board was not going to spend district funds as indicated.

Mr. Zelazny commented this is a request of the residents, do we need a vote on that?

Ms. Burns stated if you don't want to add that to the budget then we don't need action tonight.

Ms. Burns indicated that she needed some clarification on the \$147,000 for this year's payment for the golf course. There were previous conversations that it would be funded out of golf course operations and it sounds like that is why it is not in this budget.

Mr. Zelazny responded it was never anticipated that it be paid for out of golf course operations. The golf course budget is operational costs and that is just going to barely cover our costs. I know there have been discussions, but I have been clear in my position that because it is a general amenity shared by all the residents it needs to be funded by all the residents.

Mr. Robertson commented we were purchasing the property and when we make money we can recoup some of the investment.

Mr. Burns commented we need to remove the \$147,000 from the golf course and put it into the capital budget or an expense line?

Mr. Williams commented the ongoing golf course budget in the past was paying for the underlying bond and that was part of the ongoing cost of running the golf course. We bought it now it is a matter of where you stack up the money. The purchase price is one thing the ongoing bond could easily come out of golf course operations, if we are short the first couple of years we would supplement it but in the long run when we get another 50 members that is another \$250,000 a year coming into our budget and that is not going to be spent on the golf course all the time. We have to balance it out.

Mr. Mecsics commented it was always discussed if the golf course was profitable that money returns to the general fund. That was the agreement from the start, but we can't expect to operate this next year, a new operation and having a \$150,000 bill to pay on top of that.

Mr. Robertson stated we can afford to run the golf course this year, we might borrow some money, we have our general fund and we will get through until we get our annual dues.

On MOTION by Mr. Williams seconded by Mr. Mecsics with all in favor Resolution 2020-07 approving the proposed fiscal year 2021 budget as amended with a \$400 assessment increase per unit and setting the public hearing for August 21, 2020 at 9:00 a.m. by communications media technology or, if circumstances allow, at the HFC was approved.

Ms. Burns reported we have a stop time of 1:30 due to Zoom limitations.

Ms. Wright left the meeting at this time.

B. Discussion Regarding Golf Course Rates

I. Consideration of Resolution 2020-08 Setting a Public Hearing on Golf Course Rates

Mr. Zelazny gave an overview of the proposed revised user rates and fees, copy of which is attached.

Ms. Sandy commented Billy Casper has worked on their forecast for the remainder of the year and it looks like we would run out of revenue for the golf course in June and would draw on the deficit funding agreement and request funds in June and July in the approximate amount of \$100,000 to \$150,000. In conversations with Mike Wortman and Jim Lee and going forward if there are any changes to rates that are different than how they previously set them, including the current rates, to the extent there is a decrease in revenue whether attributable to the change in rates or not, their position is the seller's obligation to fund under the deficit funding agreement will also decrease dollar for dollar. Essentially, if you want to change the rates, you are taking the risk of loss for potential decrease in revenue. The issue now with the pandemic and how it affects the revenues, they don't have to show that the decrease in revenue is due to the change in rates.

Mr. Zelazny commented we purchased the golf course the membership fees was \$1.2 million, currently our membership fees are a little over \$1.35 million we have increased membership over \$100,000. We also have 54 non-paying golf memberships, which will end something during the year and no matter what we do the rates will drop below \$1.2 million. I think the best option is to offer the residents more opportunities to play.

Golf cart registration, rental rate, types of memberships, were discussed.

On MOTION by Mr. Mecsics seconded by Mr. Zelazny with all in favor Resolution 2020-08 setting a public hearing on the golf course rates, with authority to Mr. Zelazny to provide updates to the rates, for July 2, 2020 at 9:00 a.m. to be held via communications technology, was approved.

C. Consideration of Golf Course FY 2019-2020 Budget from Billy Casper Golf

On MOTION by Mr. Zelazny, seconded by Mr. Mecsecs, with all in favor, the FY 2019-2020 golf course budget for the District, was approved.

D. Discussion Regarding Severance Pay for Golf Club Employee

Ms. Burns commented that a previous employee employed by the seller was not offered an employment opportunity with Billy Casper.

On MOTION by Mr. Zelazny, seconded by Mr. Robertson, with all in favor the district will reimburse IGM for four weeks of severance pay at an amount not to exceed \$5,961.

E. Consideration of First Addendum to Security Agreement with Securitas (document confidential and exempt pursuant to Florida Statute 119.071(3))

On MOTION by Mr. Williams seconded by Mr. Mecsecs with all in favor the first addendum to the security agreement with Securitas starting July 15, 2020 was approved and the vice chair was authorized to execute the agreement.

F. Consideration of Addendum 6 to Yellowstone Landscaping Contract

Mr. Zelazny commented that addendum 6 to the Yellowstone landscaping contract reflects a reduction in service going from 9 cuts in the wilderness area to 2 cuts. Mr. Zelazny stated he wanted authority to execute the contract, but didn't want to sign it until such time as we get a picture of the grass cutting areas, that was not attached to the contract.

On MOTION by Mr. Williams, seconded by Mr. Mecsecs, with all in favor, addendum 6 to the Yellowstone Landscaping

contract was approved subject to receiving updated maps, with authority to Mr Zelazny to execute addendum 6.

G. Discussion Regarding Golf Course Amenity Policies (requested by Supervisor Zelazny)

Mr. Zelazny gave an overview of the forms that will be attached to the packet when everyone registers their golf cart. They will get the golf course etiquette brochure, waiver form, sticker and a map of the golf course and direction of traffic.

On MOTION by Mr. Mecsics seconded by Mr. Zelazny with all in favor the golf course etiquette brochure was approved, subject to confirmation with Billy Casper's risk management, to maintain the proper flow of pedestrian traffic on the golf course.

H. Discussion Regarding Reopening of Amenities (requested by Supervisor Zelazny)

In response to the request during public comments about allowing doubles on the pickleball and tennis courts, that was denied due to social distancing, but will readdress that request when the area goes into Phase 2. The board agreed to put ten chairs in the pet parks and give guidance on sanitizing, social distancing. Masks must be used in the fitness room.

I. Discussion Regarding Resident Requests to Maintain Hart Lake and Associated Buffer Zone (requested by Supervisor Zelazny)

This item was discussed earlier in the meeting.

J. Discussion Regarding Free Golf for Lake Ashton Employees (requested by Supervisor Williams)

Mr. Rhodes commented that at their properties employees can play for free but cannot made a tee time during prime time unless they are playing with members. All guests of employees would pay \$10 for nine holes and \$20 for 18, spouses of employees who wish to play more than once a week may purchase a membership for the difference between a single and family membership.

Mr. Zelazny commented we talked about a 50% off regular rate for employees with the exception of pro shop staff that play for free.

Ms. Sandy commented that this will have to be included in the rate structure that is advertised.

On MOTION by Mr. Zelazny, seconded by Mr. Robertson, with all in favor, Resolution 2020-08 was amended to add a golf course user rate for District employees, with authority to Mr. Zelazny to work with the District staff to finalize.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Sandy commented the reciprocal easement agreement the board discussed last time I believe you were updated on the final negotiations on that and it has been finalized and ready to execute and recorded.

B. Engineer

Mr. Rayl commented we submitted the ERP permit transfers three of the five submitted have been completed, we are waiting on two. The water use permits have been transferred in full.

We moved back to our most recent inspection of the stormwater management system; we are putting some quantities together for some repairs that are needed to recertify two of the permits. There are about 20 items to repair and 12 are related to vegetation maintenance and I don't expect that to be difficult to get brought up to standard.

We were requested to look into lightning protection for the HFC building and we have a proposal from DFC, Inc.

On MOTION by Mr. Mecsics seconded by Mr. Zelazny with all in favor the quote for lightning protection was approved in an amount not to exceed \$8,500.

Mr. Rayl commented you may or may not know CDD I is going to work on improving the drainage at Mulligan and Dunmore intersection. The contractor is expected to mobilize at the beginning of next week. At some period of time, there will be a closure

of Mulligan to let them do some work there. We will coordinate on the contractor's schedule so Mary can let the residents know.

C. Billy Casper

Mr. Rhodes commented we are satisfied with the agronomy plan, wet conditions have delayed us slightly for sodding the eight greens that need work. The pro shop in Eagles Nest opened yesterday, did not get the crowd that was expected, everything ran smoothly and we followed all the guidelines. We missed our initial May forecast by \$10,400 and sales are affected due to the shutdown, our cost of goods are going to be much higher because we had waste in F&B and our physical inventory did not match the computer. We paid the employees who were quarantined for 10 days, we did incur the cost of their gratuities, so we don't have a great labor savings. I don't have a handle on expenses I do expect about \$15,000 in savings this month compared to budget.

Ms. Burns commented we are going to have to continue this meeting until tomorrow.

Mr. Robertson commented since I'm going off the board I would like to pass to the vice chairman approval of all invoices so he can get up to speed and I would like to turn over the day to day running of the HFC to Mr. Mecsics as well so we have a smooth transition.

Ms. Sandy commented we would need to revise the resolution.

The balance of the agenda items was continued.

D. District Manger's Report

I. Reminder Regarding Qualifying Period for Election – June 8 – June 12, 2020

This item deferred to the continued meeting.

E. Lake Ashton II Community Director

This item deferred to the continued meeting.

A. Approval of Unaudited Financial Report as of April 30, 2020

This item deferred to the continued meeting.

B. Presentation of Number of Registered Voters - 791

This item deferred to the continued meeting.

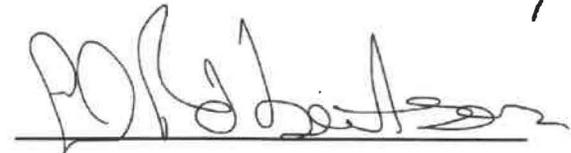
NINTH ORDER OF BUSINESS

Public Comments

This item deferred to the continued meeting.

On MOTION by Mr. Mecsics, seconded by Mr. Zelazny, with all in favor, the meeting was continued to May 28, 2020 at 2:00 p.m. to be held via Zoom, with access information to be available from the District Manager, on the District's website, and sent out by e-blast from the Community Manager.


Secretary/Assistant Secretary


Chairman/Vice Chairman