

**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, **May 21, 2021** at 9:00 a.m. at 6052 Pebble Beach Blvd., Winter Haven, FL.

Present and constituting a quorum were:

James Mecsecs
Bob Zelazny
Duff Hill
Colette McKie
Angie Littlewood

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present were:

Jill Burns
Mike Eckert *via Zoom*
Alan Rayl
Mary Bosman
Brian Rhodes
Ron Lavoie

District Manager, GMS
District Counsel, HGS
District Engineer
Community Director
Indigo Golf Partners
Indigo Golf Partners

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order at 9:00 a.m. and five Supervisors were in attendance constituting a quorum. The Board recited the pledge of allegiance.

SECOND 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; we ask those members of the public wanting to address the Board directly first state his or her name and his or her address. All comments, including*

*those read by the District Manager,
will be limited to three (3) minutes)*

Mr. Mecsecs: Jill, do we have any public comments?

Ms. Burns: I have one that was emailed in ahead of time. It was forwarded to all supervisors prior to the meeting. This is from Ron McKie (5325 Hogan Lane). We've recently had an in person Zoom meeting at the HFC. We used the HFC WIFI to conduct the Zoom portion of the meeting. Unfortunately, the WIFI kept dropping out, so part of our meeting was spent reestablishing internet access. As the HFC doesn't allow direct connection to the internet, I don't think it is too much to ask for reliable WIFI and internet connectivity. I don't know if the problem is with the ISP provider or inhouse equipment. My suspicion is that the problem is with the ISP provider because the WIFI access points are generally pretty reliable. I would like the Board to research this issue so that we can have reliable connectivity. I am willing to volunteer my services to help the HSE staff resolve the issues. Thanks, Ron McKie.

Ms. Burns: That is all I had. We didn't have any speaker cards from the audience. If there is anybody on the Zoom line that has a public comment, you can use Zoom's 'raised hand' feature now in order to be called on. I see none, so we can move on to the rest of the agenda.

THIRD ORDER OF BUSINESS

Approval of the Agenda

Mr. Mecsecs: We need an approval of the agenda, so I'll call for a motion to approve the agenda.

Ms. Littlewood: I motion we approve.

Mr. Mecsecs: Any discussion? Hearing none,

| |
|---|
| On MOTION by Ms. Littlewood, seconded by Mr. Zelazny, with all in favor, the Agenda was approved |
|---|

FOURTH ORDER OF BUSINESS

Approval of Minutes of the April 16, 2021 Board of Supervisors Meeting

Mr. Mecsecs: Approval of the minutes of the last Board meeting. Are there any additions or deletions? If not, I will call for a vote.

On MOTION by Ms. Littlewood, seconded by Mr. Zelazny, with all in favor, the Minutes of the April 16, 2021 Board of Supervisors Meeting, were approved.

FIFTH ORDER OF BUSINESS

Golf Course Update from Indigo Golf

Mr. Mecsics: Next we have the golf course update from Indigo Golf.

Mr. Rhodes: Good morning. I'll start off with an April financial update. And then Ron will take over for the golf course update. In April we had very good weather. The trends continued very well for us in rounds and revenue. The team hosted 4,900 rounds in April. The breakdown was 4,319 in member rounds and 582 in public rounds. It's the same as we have seen month over month for the last year, is the members are taking advantage of the golf course and really using their membership. Golf revenues—I am going to streamline it a little bit this time because I know you guys have a big agenda. So, when I say golf revenues, I mean green fees, cart fees, range fees, pro shop sales, and other golf revenues and dues. We missed budget by \$109 for the month. We were right on. Green fees continue to lag behind budget while membership is up. It's the same trends we've seen month after month, so it's a good story to tell. Food and beverage revenues, which is food, N/A beverage, alcohol, and other. We had a very good month. We exceeded budget of revenues by \$2,460. The trend continues. The more people that get vaccinated, the more we see them coming out and using the facility. Especially at lunch time and following the shotguns. Cost of sales does stick out this month as our pro-shop ran at 131%. This is an adjustment from prior months as we found two invoices through statement reviews that we needed to put into the budget back into the financials. It put us right on track for the year. We are running at 80.1% cost of goods and our budget is 80%. We are in good shape there. Food and beverage cost of good sales ran at 41.9% for the month which is 1.7% higher than what we had on budget. Part of that is that we're incurring some increases from our vendors, and we are not passing them on at a quick enough rate or adjusting our rates when we are selling them. Total gross income—we missed our budget by \$8,645. This was really due to the cost of goods both being higher. Total labor—the team was under labor by \$7,700 with a savings of \$4,500 in direct labor and the rest coming in payroll burden. Expenses were over \$4,940 for the month. Of which we ordered scorecards which was not a budgeted expense. I don't have that one

off the top of my head, maybe \$4,700. And we spent a little over \$10,000 on maintenance equipment repair. Granted, we had some backlog when we didn't have a mechanic and we did fix it up. We are well over that category for the year, but overall maintenance budget is right on track or under. We did incur \$9,418 in below the line expenses. \$9,075 were in concrete expense, \$3,280 was to fix the elevator, \$684 was attorney fees, and \$475 were some repairs that we had to make in the eagle's nest. This lowered our net income to \$12,197 for the month which is \$11,000 behind budget. Year-to-date we are still \$24,368 above budget. May forecast, we started off very strong in the first 19 days of May. Rounds are looking fantastic again. We do expect that trend to go down as Ron will discuss we're closing golf courses for some cultural practices. Overall, we expect to hit our revenue numbers and achieve even into next month.

Mr. Lavoie: Good morning. Just a few things. Obviously, we are closed this week on the west course for aerifying. We have our brand new aerifier on the greens out there. They came out very nice and it should recover very well. It also allows us to aerify greens whenever we want now, so the weaker greens we will probably go out there maybe twice a month aerifying to get them back into shape. Other than that, not a lot going on. We had a very successful LAVA tournament, as we know. How much was donated? It was a good amount; I know that for sure. We're hoping that we can tag along with this, Indigo has a golf tournament scheduled for August and it's called the World's Largest Golf Outing. It's to benefit the Fisher House, which is where soldiers go, and their families can go for free all over the country. They have raised, I think last year it was a few million dollars. You're going to start seeing a promotion of it around the club starting next week. You can make donations in the pro-shop and upstairs in the restaurant. There will be more to come on that. We have had, what I consider, a great community thing. We've had some frequent phone calls about irrigation with heads not turning. It's a great thing and I just want everybody out there that lives in the community, if you notice that, call the shop immediately because we don't have eyes on these things when they are on at night or after 2:00. I think we got five phone calls. It's very important because in reality it could take us a while to [notice] that. Like I said, the maintenance crew isn't here when those are on. That's a great benefit that we have here, everybody living so close to the golf course, and I thank everyone for that. As Brian said, we'll start closing in June on

occasional Thursdays. Again, to catch up and be able to do things like aerifying some of the greens on the courses and everything else. Obviously, you know how busy it is during the winter. A little update on the membership. Summer memberships are very rare, so we are probably not going to pick up any more members between now and the end of the year, except for new home sales. Just to let everybody know, there are 42 new home sales that we received starting last June. So, we don't know how many of them are going to become members or whether it's a single or family or whatever else. But not including those 42, I don't include those in our numbers, we have 383 memberships, you could say households too, and that transfers into 599 members. I was talking to David just a short time ago that you were down in the 400s. Yes, it is a very busy place now, and with that in marketing a golf course, some things probably will go away. One of them is we were selling a monthly membership on the driving range and while that was a nice thing to do back when you only had 400 members. But now our members who are paying five and six thousand dollars can't get onto the driving range. So, it's one of those things. We'll still have a daily fee for the driving range, we just won't have a monthly one. So, there will be little things like that going away because we are reaching capacity here. Everybody here has seen how many houses are being built. I have 42 potential members already that I have counted on the roles. I don't know what the final build out will be here for membership, but just so you know, we are at 1.3 which is 1% higher than last year. You throw in all the associate member greens fees from October 1 to now, which is \$83,000, we are up 7.3% over prior year in membership combined dues. So, it's a good story to tell. Will we grow this much this upcoming year? I can't believe we will. That's 115 new people and that's a lot of people to put on a golf course. Other than that, summer kicks in June 1st. As far as our schedule, tournament schedules for everybody and pro-shop hours will be back down to 3:00 because no one comes out here in that kind of heat. It's pretty quiet in there. Other than that, any questions?

Mr. Zelazny: Could you please address the issue with the Eagle's Nest and their hours based on employees and then the new policy on going back to sharing carts. Thanks.

Mr. Lavoie: Just so the Board knows, it's a food and beverage operation and I think everybody here watches the news. We are having the same problem trying to find people.

We are lucky we found a couple but it's sporadic. We found one and then they didn't show up. It's pretty fluid there, so that's why we are cutting back on some of the stuff. Some of the others is because it's falling off with the season, it just doesn't make sense to do. The other is the carts. The men's golf association, I think all the associations, are trying to say to everybody "two to a cart". We can go back to it. I think most of Florida has. We're going to go back to the policy on our fleet carts that were in place before covid, which is we'll provide a cart if yours is broken down and has to be repaired [there will be] no charge. However, there is no overnight with the carts, it is just to play golf. If someone wants to take a cart by themselves and not ride with somebody, there is a \$10 fee. It is no longer just a free cart for everybody. COVID is pretty much...I think this place has reached herd immunity. Again, it's kind of funny they ride four to a cart, but they go upstairs and they put all the tables together and drink and talk. I think it's pretty safe to start riding together again.

Mr. Hill: I am going to ask the same question I always ask. What is our cash position and will it last to the end of the year when membership dues start coming in?

Mr. Lavoie: Brian will take that.

Mr. Hill: Is he the money man?

Mr. Rhodes: I am not the money man according to my back pocket. Yes, I have done a cash flow projection. I have given it to Bob and Jillian. As of yesterday, \$114,000 was the shortfall that we would need by July 1st. The shortfall will occur sometime in July. In that is the \$55,000 minimum balance. We do have a bill that I received this morning that we have to pay. We can probably get there without asking for additional funds. But we will evaluate that. It may go up slightly. A couple things to clarify for Ron. The Fisher's House, if you want to think of it, it's like a Ronald McDonald House for veteran's families. They have gotten it down to where it cost \$10 a night. Anytime that anybody donates \$10 that's one stay for the veteran's family. If they are injured or hurt, it's usually right across the street from a veteran's hospital. I know there are several military members up here that know about it, but just to put it out there for the record. Also, I went through today and submitted our budget to the Board. It just came across. The budget does have revenues of 1.975 million. It does put us at an EBITDA OF \$24,000 for next year and a net income of \$946 negative. There are assumptions that we made on that budget, and

we passed out an assumption sheet. If anybody has any questions or concerns, feel free to send Ron or myself emails and we will be more than happy to answer [those] whether than getting bogged down in all the details we are more than happy to tell you why we are doing the assumptions and what we think is going to happen. There are some cost assumptions in there that 3% or 5% increases. We evaluated the labor stance with the upcoming minimum wage increase that has affected us negatively. Most of that is really not going to hit hard until the third year because we have been paying most of our staff above minimum wage, but it is there. There are some minor changes on there....is there anything I missed, Ron? As far as what we discussed. Does anyone have any questions?

Mr. Zelazny: Did you include the new rate sheet? Could you make copies of that for the Board so they can review that too. It's important because there will be a rate increase based on cost of goods and cost of living. It's proposed. It doesn't require any action from the Board in terms of open hearings or anything because all the changes are within the specifications that we had set last year. But if we could make a copy for the Board so we can be ready to discuss it when we do the final budget with the rate increases on that. Ron, could you just highlight a couple of changes? Because we wanted to eliminate one category all together. Just quickly there, so everyone has an idea on where we are today.

Mr. Lavoie: As I spoke on earlier, the range membership. The six month membership is going away and just going to the regular seasonal membership. If our Canadian friends come down, my thing would be to come down a month later and it gets prorated and it comes out to be just about the same. Because we lost almost \$18,000 from people downgrading to six-months from the regular seasonal membership. Some of the highlights of the budget itself, just everybody has an idea, our average membership that we sell comes out to \$4,500. That's combining all the associates and everything else. It's pretty easy to do the math saying, okay we've got 382 memberships and it averages \$4,500 so that's our number. What we budgeted with the membership is that all the fees have gone 3% coming up for the final year. The cart revenue change is due because we are going to be charging members for carts. Greens fee should be a little bit of an increase because we are going to have a full year of associate members. The pro-shop is budgeted at the 18/19 fiscal year. So, that's a little bit higher because we're trying to figure a quarter

into this year, we're still kind of COVID and maybe it won't be after that. Food and beverage is down 22% from fiscal year 18 and 19. When I wrote the budget, I can't imagine us picking up all that steam right away, so I only went up 15% on the food and beverage revenues. Handicap fees based on 615 members. There is an increase in payroll because we really haven't had a mechanic on and he's been two to three guys short this entire year, like most golf courses it's hard to find help. We're looking at helping Vicki out upstairs. She is 66, I can't stand watching her work 10/11-hour days. We're going to look for maybe an assistant manager's position. Because usually when you get a 40-hour a week position, that person shows up and they are more reliable. Plus, she needs the help, there is no doubt about it. She has worked a lot this past year and she has done a great job up there. And just so you know, we had an Indigo outing the other day and they had awards and nominations. Although she didn't win, she was one of four clubs nominated in the State of Florida for food and beverage operations. She's done a great job up there and she's a real asset to the entire community. Anything else? Thank you.

Mr. Mecsecs: Thanks gentlemen and great job.

Ms. Burns: Do we want to add these for approval at the August meeting when we do the budget? Do we want to add them next Month for June? Just based on billing when you were going to send these out. We probably just want Board approval on them or we could do it today. Just on the rates.

Mr. Zelazny: The issue would be if the Board wants to have any input to change. It doesn't require public hearing because it is within the guidelines we had said previously. But we do need to have a resolution on the acceptance of those rates, so that when we send out the notifications in July for our renewal, that we are good. If we are not going to have a meeting in June, then we probably should agree that these are acceptable rates for this year today.

Mr. Mecsecs: Do I have a motion on that?

Mr. Eckert: Mr. Chairman, I just want to make sure that if you guys are adjusting rates that somebody has looked at the contract with the seller in terms of the requirement to fund and based on the rate structure that is included in that contract. I just want to make sure somebody has looked at that.

Mr. Zelazny: Okay, Mike. This year the rates are going up. Unlike last year where we didn't do that. But yes, we will make sure that Jim Lee's group is aware of the change. I guess we should modify if it's approved if accepted by the seller.

Mr. Mecsecs: I have a motion as to approve it as approved by the seller. As per our agreement. Does that make it work, Mike?

Mr. Eckert: It does, thank you.

Mr. Rhodes: Like I said, I've led it. From what I have seen, I am not a lawyer, but a 3% increase would not change the structure. It's talking about the structure. So, if we came in and added a bunch of memberships and or put in initiation fees, that's the way that we read it. It doesn't seem like it is based on just a rate increase that would be acceptable along with the rate of inflation and things of that nature. Obviously, most of our clubs in the southeast region are raising their membership between 5% and 10% this year just because of the addition of the extra play.

Mr. Zelazny: Mr. Lee can't deny us to change a thing. His guidance is if it is out of line than the protection on our overdraft could be put at risk, but I don't believe that to be the case with this.

Mr. Mecsecs: Well, Mike and I have a meeting with the golf course folks to talk about something and when we do that, we'll make sure those ends are tied together next week. So, I have the motion as amended to upon the approval and the concurrence by the seller. Do I have any other further discussion? Hearing none,

| |
|--|
| On MOTION by Mr. Zelazny, seconded by Mr. Hill, with all in favor, Consideration of a 3% Increase to Fees Upon Approval and Concurrence with the Seller, was approved. |
|--|

SIXTH ORDER OF BUSINESS

Engineering Staff Report

Mr. Rayl: Good morning. I've got a few things for the Board this morning. First, we discussed the certification to SWFWMD. It's our permit, suffix number 001. It involved pond 22 where we had to make a repair. That repair was made. We submitted the certification, and it was accepted. It will be due again in 18 months. That's primarily because of the type of treatment system on that pond where it has the ballast rock and the perforated pipe. Those are usually required to be certified more frequently. The lase

one we had done was that pond down by the guard house. We don't have to do that one again for five years. Anyway, it was accepted, and I don't believe we have received the contractor's invoice to process yet, but the amount was \$2,097, which the Board approved back then. Another item I have is ongoing with the bathroom building at hole #6. Similarly, the building that is closet to hole #12 also, we are in discussion with the city of Winter Haven and with the city engineer about the allowance to not hook to public sanitary sewer. Usually, if you are inside a service area and it is reasonably available, you have to hook on no matter what. The reasonably available part is subject to discussion. There is feasibility involved. We've gotten bids from contractors and it's not really feasible to hook either of those buildings to the public sanitary sewer system. They can't allow us to instead have individual septic tank drain field systems for those and I am trying to secure that authorization now. It looks like the hole #12 bathroom building does already have a potable metered service from what I can see. We know we don't have that on the hole #6 building. The service whip is there behind the curb on the cul-de-sac. That part will still need to be extended to the hole #6 building, no matter what happens. I hope to have final resolution on both of those sites when I come back for our next meeting. Also, from last month's meeting, we were directed to reinstall those three missing tee posts on the wetland buffer behind Hogan. That work was done. And then ongoing, I mentioned this in the LA1 meeting earlier this week. Every time we are in the community, we continue to read that staff gage of Lake Ashton and just keep adding data points to what we know about the lake level. I looked at it this morning and it's down over an inch and a half from where it was Monday. We are almost at the low water level that we started out last year at the beginning of rainy season. We know from the events of the last year, we should have better recovery of the lake and those related stormwater ponds. And just so everybody knows, Rattle Snake is affected by Lake Ashton too. If Ashton is not draining, Rattle Snake is not draining as well either. We're in a good position lake level wise going into those two tropical systems out there right now. It's about party time again. Now that we do have some low water levels, there are some repairs that still need to be done on the overall ponds. We have 35 ponds in one permit and there are some minor repairs that need to be done on those flumes and some control structures that we can now get access to. We have gotten bids on those previously. I want contractors to bring those current and

I'll bring those back to the Board for direction next month. And that's all I have for you this morning.

Mr. Mecsics: Any questions for Alan, specifically? Thank you Alan.

SEVENTH ORDER OF BUSINESS

Unfinished Business

Mr. Mecsics: Any unfinished business? I don't think we had any. Let's go onto new business.

EIGHTH ORDER OF BUSINESS

New Business

A. Discussion Regarding Focus 2025 Final Survey Report

Mr. Mecsics: I think we have a presenter here. It's Kristy, right? I better get that name right. Welcome young lady, and we look forward to your report.

Ms. McKibben: Thank you for the 'young lady' part, I'll take that. Good morning, Supervisors. I am Kristy McKibben. I am a five-month resident of the Winter Haven side of Lake Ashton. Highly qualified to be presenting this report. I am also a participant in the Focus 2025 committee. Today I'm here to present to you some of the highlights of the Focus 2025 survey results. The same report was presented Monday to the CDD1. We had a very interested and objective group of residents who worked hard. They gathered useful information to help guide our community in the planning for the next five years for the amenities and the programs. By the way, I am not used to reading a speech, but because it has to be the same as Monday, I have to be careful. I am usually more off the cuff than this. I would like to acknowledge the members of the committee who are in the audience, I think I've seen at least three, maybe more. Would you mind standing up so we can thank you?

[Audience applauds.]

Ms. McKibben: Thank you. I think we had 24 to start. It dwindled a little over time. Last month, Debbie Landgrebe, the facilitator of the committee, brought you the interim report which included the mission, the definition what was in scope, and out of scope for out committee, and also an explanation of the survey terms. You looked at the information from the birds-eye-view of Lake Ashton as a whole, but today we are going to dig in a little deeper. Jillian has a copy of that interim report from last month. Today I am here to present the final results of the survey and I think you'll find it to be very comprehensive.

If you haven't looked already, it's 352 pages long. Some of that is because the comments are double spaced. But don't be surprised. I'm sure you're going to be thankful that I have no intention of going over this report page by page. However, I think that you are going to find those results are highly reliable and projectable with 1,172 responses. And that represents a household number of 859. That's an amazing return. It's a 55% overall return rate with 44% of those returns coming from Winter Haven and the remainder from Lake Whales. I'm sure that you will agree that this response rate is impressive, and we can all be satisfied that we have a solid representation of opinions as you will see when you read the comments. In the final report, you may see some slight percentage differences and that is purely due to the difference in the way rounding happens and formulas happen for a pie chart versus a histogram. Last month we reported that each 1% of the survey responses represents approximately 16 residents. Of those, six were for Winter Haven and ten from Lake Whales. If we project this response against our final build out estimate number at 3,041, that same 1% will represent 30 residents with 13 in Winter Haven and 18 in Lake Wells. The excellent survey response reenforces the need for serious evaluation and consideration of our programs and amenities going forward. Our written report reviews everything in order of the survey and the graphs. But my verbal report will just highlight some of the points and not go in sequence. As I go through these highlights, I won't be saying Winter Haven and Lake Whales each time I give you a number. It gets very confusing to hear numbers like that. So, I am just going to give you the Winter Haven number first and the Lake Whales number will be second and I'll say "respectively" as I go. I hope that will help eliminate some of the hearing confusion that I get when I hear numbers over and over. We are a community that likes to eat and play, and we have a lot to say about everything as you will see in no fewer than 267 pages of comments. So, let's take a brief look. On the topic of the second outdoor pool; 58% of Winter Haven and 52% of Lake Whales responded 'YES' we need it. When asked about location, Winter Haven respondents were more interested in having that pool be in Winter Haven whereas Lake Whales respondents weren't as concerned about location. Regarding landscaping on Ashton Boulevard and the HFC, 83% of Winter Haven respondents are satisfied and 89% of Lake Whales residents believe the landscaping on Lake Ashton Boulevard and at the clubhouse are satisfactory. There is a high level of interest in a stronger 'No Smoking'

policy to be placed in the joint amenities policies. 73% and 74% respectively expressed favor for such a policy while 12% and 8% said 'No'. To be clear, a total 'No Smoking' policy as requested and supported would apply to all CDD owned premises, not just inside facilities. It would be applicable to all residents, staff, visitors, and vendors, and would mean no smoking of any kind including vaping except in clearly defined areas and marked specifically for that. It means removing supportive smoking utensils, such as ashtrays, from all non-designated areas and it would eliminate the possibility of residents walking through smoke to get into the buildings or to use the amenities. And of course, the policy needs to be enforceable. We were asked to define this a little bit for you today. Having an ATM in the community is important to 57% overall. Speed bumps or speed tables are opposed by 64% and 55%. It is important to note that the issue of speeding and its impact is not limited to any particular area or group and is a community wide problem. Interest in installation of keycard systems for the clubhouse pool, the clubhouse, and the HFC were pretty evenly split between the 'yeses' at 36 and 35 and the 'nos' at 38 and 39. While the survey results showed respondent satisfaction with the fitness centers and the programs, the written comments indicate that those who use the fitness rooms feel that they are crowded. Newer and different equipment were requested and there were requests for the fitness rooms to be opened 24/7. While costs are always a concern for everyone and with a fairly recent assessment increase, it was noticeable throughout the survey responses that Winter Haven residents are more cost sensitive, overall. It's not an answer to one specific question, but everything in general shows that trend. Respondents have again made comments regarding the future possibility of purchasing the current sales office building for expansion and parking. As we go through the next few points, keep in mind our community like all 55 plus communities has a wide span of ages but the survey indicates that 84% of our population is 65 and over. In Winter Haven 62% of our residents are 65 to 74 which skews slightly younger than in Lake Wales and that's really not a surprise. Regarding mobility and accessibility, 86% and 84% respectively said that their overall current needs are being met. However, this does not correlate when asked for specifics. For instance, when asked, "are handrails needed at the clubhouse near the west exterior doorway?" 33% and 37% indicated a need. Given that it is a safety issue, this is an important number to consider. Similar responses are recorded concerning the

possible need for additional automatic door openers at the clubhouse and the HFC. Expanded remarks regarding parking spots at all of our facilities along with specific notes about the lack of a working elevator, which sound to me like it might have been remedied already, can be found in the comment sections. Respondents positively support redoing the clubhouse activities desk, so it doesn't interfere with the ball room events at 45% and 47% respectively. On the subject of the restaurant, when asked, "Does the Ashton Tap & Grill Bar meet your needs?" respondents indicated a satisfaction level at 65% and 69%. Respondents are mostly satisfied with the menu selection at 62% and 68%. But 20% of the respondents say they would like to see menu changes. Whether it's more frequently or different. Anecdotally, by the way, we were advised that in the restaurant business this is a pretty high percentage. That 20% dissatisfaction. And it represents an opportunity. Hours of restaurant operation also meet with approval at 71% and 78%. Adding screening to the clubhouse and patio outdoor eating area came in at 48% and 49% respectively. Interest in coffee availability was at 44% and 46%. Interest in having breakfast available was at 53% and 52%. The availability of ice cream, which is so cute, and event such as ice cream socials are popular at 55% and 52%. When asked, "does the Eagle's Nest Bar meet your needs?" 66% and 63% indicated satisfaction. Eagle's Nest hours of operation met with approval at 71% and 67%. Please note that comments about dining are extensive and range from pages 158 to 233. That's a total of 76 pages. There are some duplications. Given the high usage of the outdoor pool 51% of respondents across the community favor some type of sunshade over the clubhouse pool at some area. There is a support for the clubhouse to be more emergency friendly. Many respondents are ready for the music we play at events and public gatherings to be more from the eras of the 60s through the 80s. We're moving up! We're dropping of the 50s decade. Whether it is safety and security, pickle ball, tennis, bocce, pools, hot tubs, or other amenities, entertainment, programs that we currently have or hope for, respondents have positively and negatively given their opinions. You'll find a wealth of information in both the graphs and the comments. It is imperative reading as comments are on all survey subjects and then some. They represent a wide range of respondents' thoughts, ideas, and feelings and can be found at the end of the written report starting at page 86. The first 86 pages are description and graphs. The Lake Ashton 2025 Focus Committee trusts you'll find this

final report informative and use it as a resource as you plan for today and for the future. Just as an FYI, after we presented on Monday to the CDD1, the Supervisors decided to add this report as an item on their recurring monthly meetings. We recognize that these decisions regarding cost, projects, fundraising, the very health and well-being of Lake Ashton, and so much more rests in your hands. As you study this objective report we believe it will encourage asking the hard questions, help facilitate focused brain storming, and instigate community meetings to discuss can result in positive cost effective outcomes. May we answer any questions?

Mr. Meccsics: Great briefing. As in most things, nobody gets away without a little more work. I sort of gave you the heads up so you didn't fall over, and we'd have to get the emergency equipment in here for you. Excellent job. To take the next step like we did with the 2020 is I would like you to have your group, specifically on the west folks, and review the data then establish these things. Group all those initiatives by long-term, short-term, and mid-term, as well as low cost, mid cost, and high cost. That way we can as a Board rather than try to mollify in different ways we can have a condensed and specific version on all of this that I would like you to come up with. Rather than have it as a monthly update, because you're going to be busy for a little while, we would like to see some kind of a product by October or November. I know you guys have a short time frame. But by the October or November meeting I would like for you to come back. But I would like you to work with Mr. Zelazny. This was his area. Bob, would you take that on for us? In regard to the music, my son is a rock and roll drummer for Pretty Boy Floyd. Anybody who know who Pretty Boy Floyd is, he keeps on wondering when his glam band will come here. That's a long time off yet. But you did an excellent job. Thank you so very much. Bob did you want to say anymore?

Mr. Zelazny: Yes, Chris, let me just on behalf of the Board and me especially who started this in 2015, I think it was a great product, I appreciate Iris doing all of the calculations. Everybody's input was critical. We do have to take the next step now to have it focused on how you want our Board to respond to your survey. We can work on that, but I think it was a great effort and great response. I would tell you that there has already been some immediate response to your survey going through it. Mary and James have already made a number of changes to the HFC based on the comments and the

recommendations. That's what we are talking about, low hanging fruit that doesn't cost a lot of money, Mary and James have already started working on those types of things like for the towels in the pool and stuff like that. We have a solution we are working on. It's already bearing fruit. We're grabbing the low fruit now and we want you to put us on the low hanging fruit that we can get to right away and then midterm what we need to plan on and then long term where we need to put some money aside. But I think it's a great job so far. I look forward to working towards it in the next couple of months.

Mr. Mecsecs: From all of us, thank you very much Kristy, and we'll see you guys in October or November.

Ms. Littlewood: It's not really a question. One of the things that I picked up on, on the original thing that came through was that residents were wanting a skeet shooting range. Which I didn't know what it was, and Debbie explained it to me. Although in my mind I am still 40, my daughter keeps reminding me that I live in a community of old people. One thing that scares me is a bunch of old people with rifles shooting up in the air at things that are flying by. I don't know if the residents know, there is actually a skeet shooting range, I'm not sure whether it's in Winter Haven or Auburndale, but it's kind of right on the border. I hear it every Saturday when I am sitting there watching my daughter play soccer. So, those that want a skeet shooting range, check it out.

Mr. Mecsecs: If you cook the skeet after you shoot them down, it's kind of nasty. They are very dry. Thank you, guys!

Mr. Zelazny: One last thing. Let me just say to the people that participated, the people in the room. When we did the focus 2020 group and the report came out, every issue that the committee brought forward was addressed by the Board. Every one of them. Whatever it was. This year it is skeet shooting or if it's peers in the lake or whatever. Every one of your recommendations will be considered by the Board moving forward. Don't think that we are being dismissive of anything that you bring to the table. As Angie said, skeet shooting came up, and when the committee with Kristy and her group when they look at it and you prioritized how important it is and then you look at all of the negatives associated with it. The 1.8 million dollars to buy the land. The half a million dollars to but the facility alone. The hundreds of thousands of dollars of insurance that we'd have to carry. Then the committee might not think that is as an important event as

something else. If you go back to the 2020 report, many of the items were implemented. Some of them were not. But they were all discussed. You can count on your work being looked at and taken seriously going forward.

Mr. Meccsics: Thanks, Bob. And again, good job.

B. Update Regarding the West Entry Landscaping (*requested by Supervisor McKie*)

Mr. Meccsics: Alright. Update regarding the west entry landscaping requested by Supervisor McKie.

Ms. McKie: Thank you very much. I'm going to be passing around two sheets for everyone including Jillian. So, if you would take that. You may want to separate the sheets. The second page is a spreadsheet, and the first page is the verbiage that goes along with it. In a sense, footnotes. You'll notice that on both sheets there is A, B, C, D, E, & F so you can correlate the two sheets. Does everybody have that? Great. This is about the west entry, and it's combined with information with information in regard to funding of the maintenance contract for the west entry. There is a lot of verbiage here and a lot to absorb, so I ask that you hold your comments until we finish. If you have questions, obviously we are going to have things to discuss, hopefully I will be able to answer questions for you. (A)Yellowstone Regional Management charges \$18,994.92 for mowing the CDD land behind the homes on Hogan/Green at Rattlesnake and Hart Lake. It is 10.89 acres of land. The fee is \$452.26 per acer which provides 42 mows per year in that area. The CDD requested the acreage and the fee for the mowing of CDD Hogan/Green land in February 2021. It took a team of people at the regional level to put that data together and they sent that information that I just read in an email and in a spreadsheet. Prior to February 2021 Yellowstone, the CDD, and HFC agreed in writing to 37 mows per year and the fee for that is \$16,733.62. That average three mows per month in March-October and two mows per month November-February. For the length of time that Yellowstone mowed less than 42-times a year, our CDD was overcharged. The CDD overpaid \$2,261.30 per year for mowing the bahiagrass at Hogan/Green. All Lake Ashton West homeowners overpaid mowing the CDD Hogan/Green land. Numerous residents from Hogan/Green on the lake suggested reducing the frequency of the mows. It is noisy and kicks up dust. They say the grass hardly grows between the mows. If we mow rather

than 37 mows, if we mow 20 annual mows, that provides two mows per month March-October which is during the high growing season and one mow per month during the lowest growing months of November-February. So, that is cutting down 37 mows averages out, not seasonally, but averages out to about three mows a month so we would be cutting down by the highest growing season by one and very often in talking to Yellowstone during the winter months they often mow twice or even once a month so we would not be changing them mowing actually that great. The fee for 20 mows a year is \$9,045.20. The yearly savings for all CDD to residents is \$9,949.72. A contract amendment can change the mowing schedule and be reevaluated in a year if necessary. It is appropriate if we take this action that all savings from a contract change be used to benefit all Lake Ashton West homeowners. At the last meeting, the Board discussed savings for mowing Hogan/Green to maintain the west entry security area and two HFC areas. That is why I have given you that background information, that there are savings. And just to let you know, the west entry was going to start being landscaped on June 8th. I got a call yesterday that they had an opening for today and Monday, so they are now right as we are speaking working on removing dead plants and things from the west entry and they will be replanting on Monday. The yearly maintenance fee for maintaining the west entry as proposed by Fox Hollow is \$4,920 per year. That is 260 hours annual at five hours a week for two people to work weekly. That breaks down to about \$9.00 per hour. That also includes tools, supplies, etcetera. The only maintenance information that I have gotten from Yellowstone was about the seven islands which they put a bid in for landscaping. I don't really have anything from them in writing, but I was told by their supervisor that for the seven islands they spend about 170 yearly and that's on a three-week rotation. So, I am down to C now. After paying the mowing savings of \$9,949.72 for the entry area maintenance of \$4,920 the remains \$5,029.72 in CDD mowing savings. That amount of savings can pay Fox Hollow toward the landscape of our seven Ashton Boulevard islands. The fee for that work is \$15,398 as you saw in their estimate. After putting the \$5,029 towards the seven islands the remaining balance due to Fox Hollow is \$10,369. On May 6th the CDD paid Fox Hollow the full amount of \$6,686 to landscape the west entry. I put in the dates for you that I learned about last night about 4:00. That payment of \$6,686 came from the 2021 capital projects landscape replacement line item.

Which is \$15,000 per year. After the fee for landscaping the west entry is paid there is still \$8,324 left in the capital projects landscape replacement line item. That amount can pay down toward the \$10,000 balance due for landscaping the seven islands leaving a payment of \$2,055 to Fox Hollow. That amount can be paid from the 2021/22 budget allocation for landscape replacement. After that would be made, we would still have \$12,945 left in the 2021/22 capital project landscape replacement. So, you all had asked about how we can save money to pay for the maintenance, that is included here, and we would have left over funds that could go toward funding the seven islands which is also an important area to relandscape so that everything fits together for all of us who go in and out of the west entry.

Mr. Mecsecs: Questions?

Mr. Zelazny: Three quick questions, Colette. Did your calculations include the cost of upgrading the irrigation in the seven islands?

Ms. McKie: That is a separate line item. That's \$2,000 a year and that is not a part of the total from Fox Hollow because that's going to be done by Evergreen irrigation.

Mr. Zelazny: So, in your calculations here, the additional cost of the irrigation is not included?

Ms. McKie: That's correct.

Mr. Zelazny: We should have an offset from Yellowstone because they are under contract to maintain the irrigation. So, it should be a near wash, correct?

Ms. McKie: It should be, and as I explained when we talked about Evergreen, they give an estimate, but they have no idea of what the real cost will be. Now we should have an idea. They are going to be working with Fox Hollow today and Monday. We should have an idea of the status generally of the irrigation of the entry certainly and then that will give us an indication of the irrigation status for the seven islands as well.

Mr. Zelazny: Other than the installation of the upgraded stuff, the maintenance going forward should be reduced for the Yellowstone contract as well. Because they are under contract to maintain the irrigation in the community. So, we should see an offset in that as well. And then secondly, when you addressed the scheduling of the cutting behind Green and Hogan, did you include the cutting behind Sawgrass and Phoenician Way? They are in the same situation.

Ms. McKie: No.

Mr. Zelazny: If we're going to cut Hogan and Green back then the far side of the lakes behind Sawgrass and Phoenician Way should be reduced by that same frequency. There by saving us more money so that you have more money to do the landscaping.

Ms. McKie: Horary.

Mr. Zelazny: So, having said all that, to cut to the bottom line, are we plus or minus in the net category if we agree to move forward on everything.

Ms. McKie: I think we're in good shape and we will be in better shape. I can start working on Sawgrass and Phoenician, what I don't know is the acreage for example.

Mr. Zelazny: I think it's a great plan. If we can get those figures added into the reduction in the Yellowstone contract, which will again provide us more money to upgrade the entrance. And as long as we are within the \$15,000 ballpark going forward next year we're just going to be talking about maintenance at that time, correct? Because Fox Hollow is guaranteeing their plants.

Ms. McKie: Well, they presented, and I gave it to you, their warranty. What's important today is since the plants are going to be planted Monday is the maintenance for the maintenance contract for the west entry. Which includes behind the guard shack and two little beds out in front of the HFC. Because we'll want them to start taking care of those. Especially new plants are very vulnerable. We want them to be able to give them the attention that they need.

Mr. Mecsecs: To quote my compadre, as we were talking. What did you always use to say the words? The back of an envelope? I think described as to what you described as Bob was just talking about, I think we need to be in a column where we are under for as far as coverage for the additional savings from those others. I think we can move forward and get this thing going.

Mr. Zelazny: I think it's a great plan and she's addressed all the issues that I have, and I think if we just continue down the process, we'll get the area upgraded like Colette and everybody wants, and we'll save money on the Yellowstone contract as well.

Mr. Mecsecs: Do I need a motion on that?

Ms. Burns: Are we going to go back to Yellowstone now?

Mr. Mecsics: Well, we should go back to Yellowstone as we go through this they are going to have to go back and reduce their costs for us.

Mr. Mecsics: No, I think we have enough underneath that right now. We need to move forward on this.

Mr. Zelazny: Well, I think right now, Colette, aren't you just asking for us to finalizing the entry way part of the project?

Ms. McKie: For the maintenance, correct.

Mr. Zelazny: Until we get everything else and move forward. Right now, I think we commit to making sure the entryway is done right.

Mr. Mecsics: Do I need a motion on that? Do I have a motion on that Bob?

Mr. Zelazny: I so move.

Ms. Littlewood: Second.

| |
|--|
| On MOTION by Mr. Zelazny, seconded by Ms. Littlewood, with all in favor, Consideration of Moving Forward with Fox Hollow for Maintenance of the West Entryway, was approved. |
|--|

Mr. Hill: I have a question. Our contract with Yellowstone runs from January to January. Is that correct? What are the dates on that?

Mr. Zelazny: I don't know because we just did addendum six probably right around November.

Ms. McKie: The contract that I have lists the year but not the date. I mean the month.

Ms. Burns: I'd have to go back and double check but off the top of my head I believe when Sarah drafted it, she did it so that it would coincide with the start of the fiscal year. So, I believe it runs through September 30th. It does have a 30-day termination provision if the district ever wants an out as most of the contracts do, but the actual contract term, I believe is through September 30th but I can verify that.

Mr. Hill: So, we would have to make an amendment to their agreement? So, we would only save not \$9,000 this year but a portion of that \$9,000 September of next year? If we reduce the number of mowing.

Mr. Zelazny: Savings will start as soon as the amendment is approved. You're not going to see a \$9,000 savings this year. But next year, going through.

Mr. Hill: That's my point. I want to make sure what we are going to apply against the \$6,700 cost of doing with Fox Hollow this year's budget.

Ms. Littlewood: My only concern would be with reducing the mowing through the summer months on Hogan and Rattlesnake and Lake Hart is a lot of these properties back up to CDD land. They butt up to CDD land. So, if we reduce the mowing in the summer and we start getting the weeds and everything and that starts growing into property owners' lawns, then there might be a problem.

Ms. McKie: Well, like I said, generally during the summer they mow 3 times a month and the feedback and input I have gotten from residents is that it is too much, and we are proposing mowing twice a month. So, that is one less mow per month. We can always go back and reevaluate that after a period of time. The biggest point that I want to make is that we are being charged for 42 mows. At the most we have been getting 37 annually. And we didn't know it.

Ms. Burns: That's not uncommon from my experience with mowing pond banks in the summer. We hear from a lot of our field managers who will give me a heads up that you're probably going to get resident calls we didn't mow the pond bank today it rained too much they were too wet the mowers would have skid right into the water. So, when you get a lot of rain, there are times when they just can't mow those pond banks safely. And a lot of times they don't want to mow them too short because with all the runoff it's just going to be dirt, so they want to leave a little more length there. A lot of times if you have a 42 mow a year contract those pond banks are generally mowed lower than the rest of the flat common areas are. If you reduce in the scope and can save some money, you may not actually be losing the service because they are probably not mowing it as often as the flat common areas anyway.

Ms. McKie: And in conversations with Dana, the supervisor from Yellowstone, he described that as well. But he said if we are not doing that, we are off on the property doing other things.

Mr. Zelazny: Colette, when we did amendment five and six I think because we adjusted it from X amount of mowing to X amount of mowing, they actually came out with

a figure for how much a mowing would cost in certain areas. Maybe we could get that while you are negotiating, we can get the cost per mowing. If it's \$19,000 for Hogan and Hart and if that's the number and that's 40 mowings and it's \$1,000 a mowing, maybe that's the way we should write the contract and then you could adjust it to how many times a year you want. He can give the report to Mary like he is suppose to about the cuttings and we can try to track it that way. Maybe as a better way as lumping it all into 195, we could say it's \$500 a mowing behind Green. All the bahiagrass is how much a cutting and then just go to it.

Ms. McKie: I'll look at additional information that he gave me and as far as doing an amendment, I will work with Jill on how to do that since I don't have experience. We're ahead, we're almost in June. Last year we had six amendments and we're almost in June and we are talking about one. So, that's good.

Mr. Zelazny: If we can just figure out the cost for the bahiagrass cutting then address Angie's concern that if we need an extra cutting then we can just call them up and have them do it.

Ms. McKie: I will work with Jillian on trying to figure that out.

Mr. Mecsics: Anything else on that?

C. Update Regarding the Hogan/Green and Rattlesnake/Hart Wetland Buffer Maintenance (*requested by Supervisor McKie*)

Mr. Mecsics: Okay. Update regarding the Hogan/Green and Rattlesnake/Hart wetland buffer maintenance. Colette, you're on the batter's box.

Ms. McKie: I want to just remind you that the \$4,920 for the maintenance of the entry also includes weeding, weed control, pruning, raking, blowing, and fertilization. I know I'm off a little bit. Wetland at Hart and Rattlesnake Lake. At the last CDD meeting, residents requested estimates from three companies for the wetlands to submit to the CDD. After the joint CDD meeting, Jillian and I met to discuss the logistics of requesting and receiving three estimates. That would be for approximately 82 homes, and it could mean receiving and organizing 250 or more separate documents. Before the Board chooses to proceed with three estimates for each home for wetland maintenance, the Board needs to preplan and coordinate staffing for such an effort. Jillian provided the names of three wetland management companies, and I took their names and I did

research online to find out more about them. The first company was AAA Aquatic Weed Management. It had no website and a [it had] a post office box for an address. I did not consider them to do this work for us. The next company is Aquagenics and the research shows testimonials from Glen Lakes which is an 1,100 home community with 35 bodies of Water in Bradenton. Another one was Herron's Glen. It's a 55 plus community with 1,300 homes and one golf course in Ft. Meyers. Kissimmee Bay Country Club has 18 lakes and a golf course. Lake Meridian Village of Citrus Springs has 48 homes in Vero Beach. Pelican Preserve is a 55 plus community with 2,500 residents and a 1,000-acre community in Ft. Meyers. They have customers all around the area. Solitude is another company, and it is a national company. I could not find any local testimonials. Their website stated that they have 300 plus clients in Florida. There was mostly positive review through the Better Business Bureau. Solitude was hired through the person who gave Jillian their name to maintain the lake at VillaMar. VillaMar is located minutes from Lake Ashton. I drove through that community which is under construction. There are a small number of homes on a lake and there is no way to know if Solitude has done the work there but there are big bushes along the lake that are much larger than any of the bushes around Hart and Rattlesnake Lake that blocks their view.

Ms. Burns: They haven't started at VillaMar, I manage that community as well. They are under contract, but they haven't started performing services on site.

Ms. McKie: That is a contract that they have very close. All of these companies have come out and during my walk and talk with them on the lakes a few flags were raised for me. Their estimator has been working in this area for 28 years and they had a business development consultant. One of the things that caught my eye was I gave both Aquagenics and Solitude information from our SWFWMD engineer. And Aquagenics said, "Oh yeah, I work with Chaz." The Solitude estimator didn't know who she was and their consultant who I take is really their salesperson was confused when I said we were waiting to find out the opinion from SWFWMD of how to handle a dead tree. And he couldn't understand why we would bother talking to SWFWMD. He also asked why the wetland buffer could not be mowed or why all the waterlilies would probably not be approved for removal if we asked them to do so. He was really confused why we interfaced with SWFWMD so much. Now, the estimator stepped in and he said, "well,

Tampa is actually more strict than Polk County and Orlando is very lax.” So, the inference I got from that is their consultant works mostly with clients in the Orlando area. But I just wanted to let you know what I was thinking during those conversations. The third company is Applied Aquatic which we are familiar with. They have detailed testimonials on their blog or through their website. Grasslands Country Club in Lakeland is one of their clients and it has the second most acreage of water in Florida. Grasslands has a high level of phosphoresce that promotes weed and algae growth and those are situations that we deal with. LEGOLAND is one of their clients in Winter Haven and Applied Aquatic restored their 13 canals and did their lakefront restoration before LEGOLAND opened in 2011. Canyon Lake in Boynton Beach is one of their clients. Lake McGarity in Deltona. Lake Ariana Park in Auburndale. They include before, during, and after pictures. And Lake Ashton East is one of their clients. IF you drive along the lake behind the clubhouse, you can see what Hogan, Green, Rattlesnake, and Hart Lakes can look like after an initial clearing and quarterly maintenance by Applied Aquatic. The three companies were given the same information and criteria to base their estimates on. The only real way I could figure out how to confirm if the Board wants to work with any or all three of these companies was to compare their estimates. I asked each to submit an estimate for an initial clearing and then another estimate for a quarterly maintenance plan for a year. I asked them to submit their estimates before or by June 10th. I did get input from all three aquatic experts. All three companies said the soon the work can begin the better because of the rainy season. Once the rainy season starts, it could take them twice as long to do the same job. All three companies stated doing just the initial clearing without quarterly maintenance makes the initial clearing pretty much a waste of time and our money. After spraying, plants seem to die, but they establish underground runners or rhizomes that spread. Most of the exotic and nuisance plants require continued treatment to get them controlled and kept that way. Cattails take multiple spray treatments for six months to control with continued mitigation. Each stressed maintaining the two lake areas is based upon science and a process. It is not a one-time shot. An unexpected piece of CDD information became clear from the aquatic management experts who visited this week. Each noticed a problem along the wetland buffer zone toward the end of the Hogan loop on Hart Lake. A heavy wide green grass that grows along the edges and into the

wetland is called Kogan grass. It is apparent that Kogan grass was sprayed by unauthorized people with an herbicide within the last few months. While the sprayed grass seems dead, it is not. Rhizomes are anchored underground ready to grow and their sprouts are now coming up in the area sprayed with the herbicide. I emailed and called SFWMWD to inform our engineer that the debris from this unauthorized herbal spraying was never removed as required by SFWMWD. At Lake Hart an area behind a dead oak tree was mowed. I contacted Yellowstone and yesterday evening it was confirmed with Yellowstone their mowers are too wide to have fit into the spiraled area that was mowed well beyond the protected boundary of the wetland lakes. I want to explain about the dead oak tree because I know Bob had looked at it too when we were informed that it was an issue by a resident. A few months ago, I was out in that area with Applied Aquatic and Archie Campbell noticed that the trunk of that tree was submerged in water. He said at the time that that's a problem for an oak tree and that we would have to see what would happen. Well, the water has now receded, and the oak tree looks like it is dead. Chaz was there with Archie the other day and I have not heard back from him what we can or cannot do in regard to that oak tree. I was asked to address this issue and it seems that asking residents to not interfere with the wetlands is not effective. SFWMWD engineers telling residents mitigation is solely under the purview of the CDD is not effective. Sending cease and desist letters does not stop residents. The past threat of tens of thousands of dollars in fines by SFWMWD to the CDD, thus all Lake Ashton West residents, is forgotten or ignored. Residents weren't held accountable for wetland trespassing and/or unauthorized actions in the past. Other residents upset by their lake view know that. So, who cares? The past proves nothing of the count will be done no matter what, so why the CDD will do nothing is the opinion. The job of CDD Supervisor, us, is to protect the finances of all homeowners in the community. One aquatic management expert said some CDD communities install chain-link fences along the border of the wetland. Those communities find a fence stops illegal action, stops controversy, and is much cheaper than thousands of dollars of fines by SFWMWD. Due to lack of restraint and respect to other Lake Ashton CDD residents we are at the point where this CDD board must take serious extreme measures to protect the wetlands and all residents of Lake Ashton West.

Ms. Littlewood: I have a comment on that, Colette. First of all, the area that you are talking about is behind my home and some of the other neighbors. And I can assure that grass has not been sprayed. That area from that flat area where you are talking about where it looks like it has been mowed and been sprayed, that was a pond. In the heavy rained, Lake Hart overflowed and that was a pond. When you first brought that report to us, that was kind of a shock to us because we didn't know that we were getting it, right at the beginning I told you that when you came out, you came out at a bad time because the water had killed off that grass. It's not been sprayed, and it's not been mowed. The oak tree that you're talking about is not an oak tree. It's not a native species and this had come from Applied Aquatic right at the beginning when a group of us paid to have them come out and do something. It's not an oak tree. It's some kind of exotic hardwood tree that's probably from India or somewhere that they said.

Mr. McKie: We are talking about two different trees.

Ms. Littlewood: Are you talking about the one that's behind Hogan that's been split and it's under water?

Ms. McKie: No.

Ms. Littlewood: Are you not? Which one are you talking about?

Ms. McKie: I'm talking about the one that's near the CDD easement entry. I forget the address. I'd have to look at my phone.

Ms. Littlewood: Sorry, I've got the wrong one. Because there is one further down that's a hardwood tree that got split in two when the hurricane came through. Part of it dies off and part of it sprouted again. That is now underwater and the big piece that sprouted at the beginning is now dead, but the other part has got a little growth on it. But I can assure you that that grass has not been sprayed. And it's not been mowed. It had been killed by the lake overflowing and it's been flooded.

Ms. McKie: Thank you for your input and I asked all three experts about that and all of them said the way the dead grass looks it was from their opinion from herbicides.

Ms. Littlewood: Well, that might be the opinion, but I can assure you it has not been sprayed and it's not been mowed.

Mr. Meccsics: Okay, well we do have those concerns and I know last year that one oak tree, and it is an oak tree because I know what an oak tree is. That was the one that

was flourishing and now it's dead. Let me just reiterate for everyone. And I know we've gone over this numerous times. I don't want to be hard-nosed, and Angie, I'd like you to make sure that if you're out there and you see somebody out there, let us know. Or I'm going to put cameras out. We're not saying you did. What I am saying is I need help from the folks out there. If you see something specious than let us know. And this goes out to everybody. I don't care what was done in the past. I don't care what you have or report to have. We have legal opinions, and it says you don't go into those areas and do anything. Please heed this warning because we will not tolerate that because the fines if we get them, all of us are going to have to pay. And I don't want to pay for someone else's buffoonery. I'll deputize you to take a look and make sure. But if anybody sees anybody out there cutting or spraying or anything like that, I want to know about it. So that we can make sure we are not at risk of getting fined by SFWMWD. And they watch us, I guarantee you. Anything else?

Ms. Littlewood: The estimates that you're getting from the three companies, is this for the CDD to take care of the land or is this for the owners to do it?

Ms. McKie: We'll have to figure that out.

Ms. Littlewood: Because the residents may be able to negotiate a different...no I don't mean negotiate with a different company but negotiate a different price. If they are going to break it down to each individual owner, then the owner should use the companies that we recommend, but if we're not going to pay for it, they should be able to negotiate their own price.

Mr. Mecsics: We have to remember that this is CDD property. It is for us to, as we have done in the past, we have picked out a company or we have a slew of companies. The price will be determined by the contract or the vendor. We will approach that to the individual homeowners for them to choose whether they want to do that work or not. Pay the CDD to have it worked on. We're not going to have a lot of County options. Because we've run into problems like that before.

Mr. Zelazny: Maybe I'm a little bit confused. I don't want to put words in your mouth, but I think what Angie was saying is that if we have an approved vendor that Colette has found, because everybody's property is different, what's behind it and everything like that, I think you're asking that you should be able to contact one of those approved vendors to

negotiate your price for your hundred feet and Carry can negotiate her hundred and it still be the same way and the contract would be run through the Board. I think that's what you're asking.

Ms. McKie: The point that I made in the beginning is if we would have to staff that. I cannot handle that. Jillian with GMS cannot handle that. We would have to staff that.

Ms. Littlewood: I'm sorry, but what do you mean by staffing?

Ms. McKie: If every resident would get three estimates that would go through to CDD, someone would have to coordinate those. Someone would have to track them. Copy them. I can't do that. And Jillian nor the HFC are staffed to do that.

Ms. Littlewood: I'm really confused because all they are going to do is put in an application get the quotes from the three companies that we say they can use and then come back to you and say this is the contract we've got; this is a copy of the contract and then just write the check to you.

Ms. McKie: Are you saying you want that job?

Ms. Littlewood: I don't understand what's difficult. Yeah, I'll take it on.

Ms. McKie: Okay.

Mr. Mecsics: Before we do that, I am going to ask Mike, our legal, because again we're having other folks negotiating for stuff that's on a CDD, I'm not picking on you for that, but we have to make sure that's a legal thing. Because it is CDD property. Mike, are you on?

Mr. Eckert: I am. My concern is that the contract to do the work is between the district and the contractor. And if the resident chooses from the three sources that the district has, let's just call it "preapproved"; and then they contact those vendors, they talk to those vendors, and then they come to the district with a proposal from a vendor and a payment, then I don't necessarily have a concern with that. The only other thing I would say is, I am not a big fan of Board members performing management tasks because you are really a policy Board. But this Board has taken a little bit of a different approach on those things. That's the advice I have at this point.

Ms. McKie: Jillian, do you have any input about what we talked about? The logistics of handling that work?

Ms. Burns: I think we have reached out to those three vendors to look at a couple of options. We're expecting those back in June and may have a couple of options at that time. I do have a little bit of a concern, obviously, if there are 83 different homes and all of them are reaching out to the same contactors, you're talking about 250 individual quotes. That's a lot of leg work for those contractors that are doing work for the district. I think what we should do is continue to look at the options we are looking at, get those overall quotes from those three vendors and I think we'll have some options at the June meeting after we see those quotes.

Ms. McKie: I agree. And that's why I asked them for all the same information. Then we will know what the differences are. If there are any in their quotes and we'll have a balanced view of what the reality is of talking care of the wetlands.

Ms. Littlewood: So, are the quotes that you've asked for, are they to deal with the whole of the shoreline? Or is it individual? Because some people might not want to pay? How are you going to differentiate between each individual owner that wants their piece of property cleared and the individual owners that don't? How are you going to divide that up if it is just one big quote?

Ms. McKie: The only way to compare them was to ask them for the same information. And that's why they were asked to do a quote for all of the...one for Rattlesnake Lake and one for Hart Lake and a quote for each one on doing the initial clearing and then doing a maintenance contract for one year. That was the only way to compare them to know what their prices are like and what the work they would be willing to do.

Ms. Littlewood: See that's where I differ with everybody. If the CDD is not going to pay for it, my opinion is that we provide three contractors that the CDD are prepared to work with and then each individual owner that wants it doing negotiates a price because you can't...how are you going to...if you've got an estimate for the whole lot, how are you going to divide that up? I don't whether people are missing what I'm saying.

Ms. Burns: I see what you're saying. I think the intent in asking for the quotes is to be able to select those vendors and be able to say if we have two that are inline and one is way off, that's 60/70 thousand dollars a year more than the others, than we maybe want to find three that have proper quote for the amount of maintenance of the whole thing

were to be maintained. I think that was the intent we are looking for. The three quotes were to select those three vendors that could then be options and the best way to compare them as for the cost would be to look at them with a quote overall and compare those and see which three vendors the district would be willing to work with. I think that was the intent to bring those back to the June meeting and say these are three vendors they all came in line with each other, and these are the three recommendations. And then essentially let residents select out of those three.

Mr. Mecsics: To clarify, if we have those three vendors, and I can see logistics of this of having each individual home owner do it, but if we provide those numbers and those names and then say look this is what you want and let them do an estimate of what their property is specifically for their area and then come back with a price that the CDD is going to have to agree on, because again it's our property. Can we do that? I mean I have two Board members and neither of them can work together on these things. Can we have you guys act? And how many homes are we talking about?

Ms. McKie: 82.

Mr. Mecsics: Would you be able to have one of your staff members available that we can help sort of correlate these things from a district's perspective.

Ms. Burns: Sure. Generally, most districts have a field manager that we provide field services for that district. This Board has elected not to do that. So, there is not somebody overseeing the landscape contract or there is not somebody overseeing the lake maintenance. This is the only district I have that does not contract for those services. They are happy to do that, to provide that service. I can get you some quotes to do that. I usually have someone who is regularly riding with...obviously, for Lake Ashton that is their full time. Most districts do not have a full-time field manager like Matt. They contract with somebody that is at a much lower cost where they are riding either weekly or twice a month with the contractors overseeing them. They are gathering all the quotes, they do all the leg work for the landscape maintenance quotes, and so that is a service that we offer to contract. This Board used to do that and has moved away from it several years back.

Mr. Mecsics: Jill, to mediate the concerns of the logistics and the movement of, if you give us a quote and then we can use this focal point. Now, from a purely non

interested person on this whole matter but a Board member, I think some of that cost would have to be post across as a sur charge to the homeowners. So we are not paying for something that no one else is.

Ms. Burns: I'll give you two options. One would be general field services for the entire district that would be kind of customary if you are looking for somebody to just spearhead this effort on an ongoing basis. Just this portion to deal with that, I can give you a different number, they would be vastly different. We can present a few options depending on what the Board's desire is. We'll bring that back along with the information that Colette is getting for the June meeting and present so we have some ideas and options for the Board that we would like to present then.

Mr. Zelazny: Let me see if I have got this clear. Colette has done a great job identifying three vendors that are acceptable to us to treat our wetlands. They are available. Angie is now saying I would like to be able to contact one of those three vendors to treat in front of my house. So, what is the process. She. Calls the three vendors on her own, gets a price, calls us, we engage the contract, she writes the check, and work is done in front of her house. Now, clearly the best way is to have the companies come in and bid the entire area because it's cheaper. The two ways you do that is everybody participates and it's a shared cost, but that's voluntary. Or, and we're doing it on Rattlesnake Lake on the golf course, we're doing the same investigation. We went out asking for all the residents living in that area, are they willing to pay and if they're willing to pay, this is what the fair share is. And then, if not everybody's in, how much are you willing to pay to pay for it. That's the group thing and that's the cheapest way. Because when you talk with Applies Aquatics or others, the, I'll just use \$5,000 as a ballpark figure, if you divide it out it's \$150 a piece if you do it individually, we're up to \$300 and \$350 a piece. So, clearly, it's better the bigger area you have the more residents the cheaper it gets. But I'm struggling with how much paperwork it is for us other than to process the invoice. When we have a price agreement. I think maybe I'm oversimplifying but I don't think we should deny a homeowner's right to be able to make it the most cost effective for them if we can.

Mr. Mecsics: I don't think there is any disagreement. We don't want people paying more than they should. Like I said, from the process standpoint, we can apply what ones

we want or ones we approve and then they can go to that person and talk to them and negotiate and then submit that to the Board or through the CDD and again if we can have somebody and I'm looking at the logistics and the paperwork and what that is.

Mr. Zelazny: I want to make sure it's Colette's paperwork that she's done that you can't start the work until the approval is in and we have your check and then you can get the work done.

Ms. Littlewood: Can I just go back to this photo that you've sent around. This is mine and my neighbor's yard. This is the one that they have said has been sprayed. If you look at this in this corner here that's where it starts to rise. All that area here to the lake was water. It was another pond the lake overflowed. And that's what has killed off that grass. It's not been sprayed. Not been mowed. It was waterlogged. And it's coming back.

Mr. Rayl: If I may, if we want to go out there and look at that sometime, I can explain to everybody what is pond and what is...there are other areas called spreader swells where the pods discharge they go into another area that kind of looks like a pond but the idea is that it's not a focused point discharge that's going to blow out soil and vegetation. It discharges into a smaller little area then it gently spills out into the lake. Those areas are designed to hold water when the ponds are discharging. So I can help explain what some of those areas are out there if anybody wants to know. One thing I would just add to this discussion is that I would ask you to be cautious when you have individual homeowners dealing directly with these companies and negotiating. You don't have control over the scope of what they are negotiating or what they are discussing. One resident might want things trimmed and another one may want everything mowed down to the water. And again, it's CDD property and I just wanted to give that reminder.

Ms. Littlewood: By the companies that Colette's resourced should know what can and can't be done. Surely, that's the idea of resourcing them, right?

Mr. Zelazny: Well, that's part of the reason they have to be bonded and insured. So that we are not liable. From the CDD perspective, that's the most important. We have to take ourselves out of the liability loop.

Mr. Meccsics: That's why when you do the paperwork. The scope of what is going to be done. And who everything like that and the pricing. And then that comes to the CDD and that's when we say, "yay or nay."

Ms. McKie: But is that not something we could do upfront? Say, this is what can be done, and this is the criteria you have to follow. That then when they pick up their application to have it done, they are given that criteria and that is given to a contractor for them to see. Is that possible?

Mr. Meccsics: Can we do that, Colette?

Ms. McKie: Describe that again.

Ms. Littlewood: There are rules and regulations that they have to follow. Applied Aquatics, when we did ours at the beginning, on the contract it told what they were doing. We know as a Board what can be done and what can't be done. So, we could put that criteria and attach it to the form that they are filling [out] to ask permission, so they have that information there, and that then is given to the contractor when they come out to give the quote to the individual owner. They have that criteria to give to them so they know exactly what they can and can't do.

Ms. McKie: Yes.

Ms. Littlewood: That can be done?

Ms. McKie: Could.

Ms. Littlewood: I'm happy to do that.

Ms. Zelazny: The criteria is pretty well cleared up in the letter that SFWMWD provided the residents over there as to what trees can be taken out, what trees can be trimmed down, what level...

Mr. McKie: And I have already given that to all, I mean, we know Applied Aquatic follows that. I have already given that information to the other two vendors, Aquagenics and Solitude. It's pretty simple. It's basically exotics and nuisances can be removed. Then there are other plants that can be cut to three feet.

Ms. Littlewood: I'm just trying to address Alan's concern, really. The point that he brought up about not knowing, you know, some people wanting it mowed down. If the homeowners have that information that they have to give to the contractor when they get the quote, then there should be no comeback.

Mr. Mecsics: My main concern, and I agree, there should be criteria that's out there. And I know you've sent it out to the homeowners in a lot of these things. This is what can be done, and then when they negotiate with it, this is what they are going to have done. The CDD gets it in, we get it confirmed so that our property is taken care of, and then go forth with it.

Ms. Littlewood: Just attach it to the form they have to pick up.

Ms. McKie: I think the dilemma that the Board is going to need to deal with is that, and that's how we started, is each individual homeowner going to get an estimate from one vendor and then they decide whether they are going to have the work done or not. Certain residents were very upset about the fact that, I mean they know that we all know that when you do something in volume it's less expensive. And they were very upset about the fact that they were going to be charged more as an individual than if it was done as a whole. I think we are going to have to deal with how that works. Either way, there are going to be people who are upset.

Mr. Mecsics: That's true. We can't satisfy everyone. But I think if we are upfront with all of our owners or the folks that are involved. Individually you may not get a group discount like we have talked about in the past and then set it up and see. I think this is something we can flesh out a little bit more for our next meeting.

Ms. McKie: And I think we'd have to be sure that the vendors, if there are going to be three of them, are willing to do it on a house-by-house basis. Because that is more scheduling, it's scheduling teams that might do one house versus coming out and doing 19 on Rattlesnake Lake and 82 on Hart. Nothing is simple, it seems.

Mr. Hill: My questions is I have a view of Rattlesnake Lake and I probably wouldn't be interested in having anything cut because I have a good view of the lake. But let's say, if I remember correctly, Applied Aquatics said they. Would come out and short cut and they would charge X number of dollars. And then they would come three more times a year to observe and charge you for each visit.

Ms. McKie: They are not observing they're working.

Mr. Hill: Well, the number that they were going to charge was less for the second and third and fourth visit. But my question becomes, what if I was a resident and I only wanted to have it cut once a year and would not be concerned whether it grew up again

for the remainder of the year versus a person that would say they wanted it cut four times a year. Is that going to be an individual household decision, or does it have to be a group?

Ms. McKie: That gets really complicated and again, from the input from all of the vendors is that if you have it cut once a year or you have it cut and then you wait four more years, it's going to be more expensive every time. Because if you can imagine not getting your haircut for five years, it's going to be more work versus maintaining it every six weeks. I can't answer that. And they're not observing. Why do we get our grass cut on a regular basis versus once a year? Or every five years? It's the same thing.

Mr. Zelazny: Let me see if I can explain to you. The first cut is the expensive cut because they have to clear everything out. They have to clear it out. Then every four months when they come through, they are just addressing those things that have come up since the last cutting. That's why it is significantly less expensive and should be because they are not having to clean all the undergrowth out and clean out the bushes and all the invasive plants because they are already cut.

Ms. McKie: Thank you, Bob.

Mr. Zelazny: If you only want it done once a year and you want it to grow back up, then you just pay the...

Ms. McKie: You're going to pay more the second time.

Mr. Hill: That was my question. Could you just do one cutting or if I'm a home that wants three cuttings.

Mr. Zelazny: It's whatever you want to contract with one of the approved vendors that Colette has found.

Mr. Mecsecs: As long as it goes within the standards, then you can do that, yes.

Ms. Littlewood: There is a way to uncomplicate all this and that is to have the CDD pay for it.

Mr. Zelazny: That would make it easy.

Mr. Mecsecs: Do we have a motion on that?

Ms. Littlewood: I'll second it.

Mr. Mecsecs: Alright. Any more discussion on that?

Ms. Littlewood: I don't know whether it needs to be in this part or whether it needs to be in supervisor requests, I had a problem with Applied Aquatics. So, do you want me

to do it now? Okay, last year Applied Aquatics, they spray a pond that's behind further down from me but behind my neighbor's houses. Last year they came with a gas powered golfcart at speed between my house and my neighbor's house with all the chemicals to get down to that lake. And I went down and spoke to them and said please don't use resident's yards. There is an entrance for contractors further down. That's where you should be coming. And I haven't seen them anymore since then until it was last week or the week before and they came past my house again. And I knew from the direction that they had come that they had to come through somebody's yard. And sure enough I waited for them to come back. They were going too fast, I couldn't get out to stop the, But they went further down and they cut between two houses further down. I contacted Jillian to find out who the contractor was. I contacted the people that Jillian gave me the name and I wrote to them and said this had happened and could they please speak to the contractors and the staff that they use because, first of all if those chemicals spill, it's on owners' yards and it's expensive grass to replace. Secondly, it's a heavy gas powered golfcart that's going through and making ridges. And thirdly there is an entrance could they please make sure that their staff knew. I've heard nothing. I have had no response back. I did say I was going to bring it up in the meeting, but I have had no response back. So, I don't know. I mean it was something that needed dealing with straight away and it's not something I could discuss with Colette in case it came back up in the meeting. So, I handled it. But I don't know where you want to go from there.

Ms. McKie: I have a response for you. I was sent your email and I've talked with and met with Applied Aquatic. We have the main CDD easement where it is quite wide. Between that and your home, there is a very narrow area that is quite steep. Their ATV has an inclinometer on it because of past accidents and injuries to their workers. So, that inclinometer tells them if it gets too steep, they can't go through an area. That steep area between the CDD easement and your house is too high for them to pass through. So, actually Mike is still on and he was going to look at the plats to see if there was another area. I also looked on Hogan, we have some drainage easements which are not formal CDD easements, I guess, they could possibly pass through. And there is one that is quite wide, and I gave the parameter addresses to Mike. And then there is a home where I talked to the owners as a last resort where they could go. There are chemicals on those

ATVs and they are top heavy because of the tanks of chemicals. If there would be damage to a person's yard by passing through, then Applies Aquatic and the CDD could help remedy any damage. So, I don't have a final answer, but it has been worked on in the last week or so.

Ms. McKie: Okay.

Mr. Eckert: The delay has been with my office. Just simply because we're in budget season and I have been traveling on the road all week. But I will get with Colette and have an answer for her early next week in terms of all the different access roots that are available.

Ms. McKie: Thank you, Mike. I know you have been really busy, so thank you for your attention on this.

Mr. Mecsics: That answers your concern on that, Angie?

Ms., Littlewood: Obviously, yes. It's answered the question as to why they didn't respond. But I would have like to have had a response from them. Just an acknowledgement that they got the email. You know, I think that's bad practice on their part.

Mr. Zelazny: One last thing on the lake situation. Could I ask Colette to do the fact sheet, again with the procedures with the approved companies that you have identified and then send it out by a blast that says, "if you are interested in maintaining your shoreline, you can come to the HFC, pick up the information packet", and then we could put this issue to bed. I think we all agree on what we're doing at this point.

Mr. Mecsics: Can you do that?

Mr. Zelazny: Colette's done all the paperwork she's got all the forms. Just do a fact sheet and send out a blast saying if you're interested in doing your shorefront, pick up the packet. And they can either organize it themselves or they can do it individually. But Colette's just spinning her wheels going round and round. We need to get this finished.

Ms. McKie: Put me out of my misery.

Mr. Zelazny: We're at the 90% line. We need to just decide that either a group gets together and negotiates a price with one of the three vendors, or they do it individually.

Ms. McKie: I think that's a great idea. I'd like to wait until we've gotten all of the estimates. Because there may be a vendor that is so out of line price wise that we don't even want to deal with them.

Mr. Zelazny: Clearly. I'm not suggesting we do it right now. I'm suggesting that we put it in your capable hands. Get the paperwork out, have Jim send out the blast that it's available, we might need people at the buffer zones of CDD property, if you want them maintained, the paperwork and everything is available at the HFC, and move forward.

Mr. Mecsics: Mary will you help Colette with that? Alright. Anything else on that?

D. Consideration of Resolution 2021-04 Setting the Public Hearing and Approving the Proposed Fiscal Year 2022 Budget (Suggested Date: August 20, 2021)

Ms. Burns: Procedurally, this is a preliminary budget presented to the Board that set's our cap. A final budget will be adopted later this summer. Suggested date is August, so this budget would be sent to the city or county at least 60 days prior to the public hearing date. Procedurally, that's where we are.

Mr. Zelazny: This procedurally is just to set the date of the public hearing.

Ms. Burns: If there were to be an increase which this budget does not contemplate, that would set our cap for the mailed notice. These line items can be changed as long as we are not exceeding the assessment amount listed here in this budget, we don't need to send mailed notice to residents because we are not proposing an increase.

Mr. Mecsics: Alright, do we need a motion on that?

Ms. Burns: If there are no changes or questions from the Board.

Mr. Zelazny: Is this proposed budget the attachment to this resolution?

Ms. Burns: Yes, in addition to the golf course budget that they presented as well.

Mr. Zelazny: Then I would make the motion that we approve the resolution, but we need to make adjustments to the budget before we leave here today.

Ms. Burns: Let's do that now then. Because it adopts this as part as the resolution.

Mr. Zelazny: There are major issues with the budget that I think need to be addressed if we're going to get closer to the final product. My first question is, Jillian, is the carryover of \$197,000. Where does that come from? Because I think when we go to the

April finances, we'll find out that we are going to overspend out of the general fund this year. So, where does this 193 come from?

Ms. Burns: It's just a basic calculation of the cash on hand minus the projected expenses. It's the difference between those two numbers.

Mr. Zelazny: That has nothing to do with first quarter contingencies?

Ms. Burns: Correct.

Mr. Zelazny: Okay, so I would recommend that we do not carry any surplus forward on the proposed budget because it's just not going to be there. And if you remember last year, we had \$173,000 that's what we budgeted against and we ended up \$120,000, were \$50,000 behind. I think we need to be more realistic going in. And if we do get a carryover, then we're at the plus.

Ms. Burns: So, you want us to show it as zero?

Mr. Zelazny: I would like no carryover surplus because I think we're going to zero out. I'm looking at the field expenditures, there is a significant reduction in the ground maintenance and supplies, is there a reason that that went down?

Ms. Burns: It's just broken out. We were asked to provide additional...so if you look at that \$40,000 at zero, if you look underneath that it's broken out into the three items that are coded to that. So, that's similar to several of the items the personnel and security contracts, that was from the budget workshop. We were asked to break some of those line items out to show more detail. So, it's the same amount, it's just shown in different line items.

Mr. Zelazny: Yeah, but last year, building, grounds, and maintenance were \$40,000. This year we're going to schedule only \$30,000.

Ms., Burns: Nope. It's all the numbers bellow it as well. The building maintenance supplies, ground maintenance supplies, pest control, and milage. It's 40, it's just broken out. That's some of the things that Duff wanted to see from the budget workshop. That's the same thing with the personnel, the security is broken out in additional line items as well. All the ones that are offset are the same budget amounts with the exception of the personnel which was changed. That was part of the 3% increase that was directed by the Board. But these are just breakouts of those line items to show what comprised them. That was just a comment from the budget workshop.

Mr. Zelazny: Alright. I can't accept an increase of \$35,000 in engineering costs. Going up from 15 to 50. That is unacceptable. Alan has left, but I am looking at the engineering efforts last year which were significant, and I saw him anticipating a reduction in that this year. I would not propose any more than \$25,000 as a ceiling on engineering costs. Personnel expenses, again maybe I misread it, but this year we spend \$246,000 on personnel expenses which do not include the approved pay raise which we voted into be effective in June and July. Next year there shows a reduction and we have requested a 2.5% increase across the Board in the budget.

Ms. Burns: It doesn't show a reduction, that 194, it's again it's all those items below. It's just broken out. That's the lump sum amount between the salary...

Mr. Zelazny: Is there a 2.5% increase in the 246?

Ms. Burns: There is a 3% increase in the 246 which is what we talked about at the budget workshop. Was the 2.5% that was going to be done in June, I believe, and then the additional .5 we were told just to hold, and we would talk about that in October. It's the 245 with the 3% is what those line items total.

Mr. Hill: If you add up the proposed budget, the individual items come to \$239,500. And then you've got \$6,000 worth of wage increases and it would bring us back to 245.

Ms. Burns: It's based on your current employees. When this was adopted, there was a different structure. It is the salary of the current employees with a 3% increase is what that is. That's the actual payroll if you're allocating the #% to all of your existing employees.

Mr. Hill: So, what is the proposed budget going to be for next year? 239 is what that totals up to be.

Mr. Zelazny: And that's what I'm saying, it's less than what we are paying and we want a 2.5% increase in personnel.

Mr. Hill: It needs to be more like 250.

Ms. Burns: We can put that in. The salaries that you have allocated, this is based on the actual payroll for the employees that are in place now with a 3% increase. So, if you think you're going to add additional employees we can definitely allocate that, but that is what you need on exact payroll to pay the existing employees a 3% increase. Because somebody left. I'm forgetting his name...Chuck.

Mr. Mecsecs: Chuck Gator? We have Karen, we have Mary, we have James, we have Ryan, and Crystal. No changes to what we have right now.

Ms. Burns: This amount that's in the budget is the payroll with a 3% increase for the existing employees.

Mr. Zelazny: I guess I'm confused because last year our proposed budget was 245. And this year we are proposing 239 when you add up everything. This year's budget is less than the budget last year and we're looking at a 2.5%.

Ms. Burns: I can pull the payroll for you from the previous year and what it was based on. But there has been a change to employees.

Mr. Zelazny: The agreement was we were doing a 2.5% increase in the budget so there should be a 2.5% increase in the budget line for personnel. I'm working strictly off of budgeted numbers. I'm not dealing with expenditures, just budget numbers. I would be more comfortable with additional money in the personnel line. Whatever that number is.

Ms. Burns: So instead of basing it off of the actual payroll you want us to just to a 3% increase to the 245?

Mr. Zelazny: Correct. That would be fine.

Ms. Burns: We can definitely do that. Just to note, if we keep the same staff for the whole fiscal year, we're going to come in way under budget on that line item.

Mr. Zelazny: And that would be nice. It would be nice to be under budget for the first time on anything. First quarter reserves should be at \$200,000. That's what I think the budget guy had agreed to. Isn't that correct?

Mr. Hill: Yes.

Ms. Burns: Because you told us to back out. Because we're not increasing assessments it's going to be the difference. So, once these numbers change, that number is going to change as well. It's not just a set number. If you're trying to balance the budget.

Mr. Zelazny: Well, I'm not trying to balance the budget right now, I'm just saying that in the category when I'm looking at the budget and there's a budget line that says first quarter operating reserves, \$211,000, the budget director wants that to be \$200,000 not 211. But what I'm saying is that we can reduce that, but we have to move the money somewhere else. That figure when you take the total budget...

Mr. Zelazny: If I reduce engineering my 30 something thousand dollars that helps. And I have an issue with we have \$45,000 in boundary amendments. And then we have an additional increase in an attorney's fees. Are the increases in attorney's fees associated with the boundary amendment?

Ms. Burns: The \$45,000 was a figure provided by counsel on what they thought that would cost specific to the legal expenses, the filing fees, just the cost for the boundary amendment.

Mr. Zelazny: So, are we double dipping on the increase in lawyer's fees of \$10,000 if that \$10,000 is included in the boundary amendment.

Ms. Burns: I don't believe so.

Mr. Mecsics: No, the \$10,000 is not included in the boundary, that's what Mike had given us to work on.

Mr. Hill: It doesn't seem to me like we should have any legal bill this coming year like we've had this past year. So, instead of increasing it to 50 I think we ought to leave it at 40.

Mr. Mecsics: Is that your recommendation? Well, the \$45,000 we have to make those...

Mr. Zelazny: It just seems like, there isn't going to be an increase, other than the boundary amendment, I don't believe there will be an increase in the legal fees this year.

Mr. Mecsics: So, we have the recommendation to reduce the legal to \$40,000.

Ms. Burns: We're at 31 through April.

Mr. Hill: It's high this year because of all the water stuff with the east and west. I just don't see it being as high this year. It isn't going to be that much this year.

Ms. Burns: Did we decide to change it to 40?

Mr. Mecsics: Yes.

Mr. Zelazny: That's the only thing I have on the general fund.

Mr. Hill: I've got a couple of questions. If we go back up to Yellowstone, \$179,000, if we cut back the number of cuttings per year, how much do you think that's going to reduce the total for the budget?

Ms. McKie: We're going to look at sawgrass as well, so I really don't know., I can only tell you what I have already presented so far.

Ms. Burns: I would leave it and then adjust it in August.

Mr. Zelazny: It's a pretty firm number up or down because we're bringing in Fox Hollow and other things. Landscaping if we just leave that number, I think we're solid because Colette's looking at ways to save money. But we don't want to adjust the budget thinking we can save money if we don't. Then we're in trouble.

Ms. McKie: Good idea because landscaping isn't going to go away and it's our view of the world to other people. I think that's a good idea, Bob. Thank you.

Mr. Hill: You think that's going to stay the same?

Mr. Zelazny: It might go down, but I don't think you want to budget for a lower number because we don't know how much savings we're going to get at this time. Maybe by the August budget meeting we will have a better firmer number that we can reduce it or whatever. But right now, I am just looking for a more realistic figure because when we get into the second part of next year's budget which is capital.

Mr. Hill: The last item I have is down there for utilities. Last year we were well under utilities and this year we are well under again by 13,000. I propose that instead of \$215,000 for the budget we make it \$205,000.

Ms. Burns: Where do you want it to come out of because you asked for it to be broken out for electric, water, telephone, all of those things.

Mr. Hill: Mostly TCO. I contacted TCO to ask them if we got any special rates for this year because of COVID and she said no, it's just a lesser usage. I asked her if they thought there would be an increase next year and she said that increases were few and far between. I wouldn't expect an increase in lights.

Mr. Mecsics: So, to get to Jillian's point, the utilities under the electric, that's \$145,000. Decrease that to 135.

Ms. Burns: We can. We may want to wait and see when we get to August. Your utility usage is probably going to go up during the summer. So, the projections for the winter months may be a little lower than what we see over the summer. This is the time of year where you may use a lot of AC. We may have a better actual number in August than we do now.

Mr. Hill: I'm leaving some cushion in there for the summer months. But historically last year, we beat that number.

Ms. Burns: Do you want to say 135 then? Instead of 145? Which would bring the total down to 205?

Mr. Hill: It's not an item we can control but historically it's been a lot less than what the budgeted amount is.

Mr. Mecsics: Well, let's do this then. Like Bob was saying, we'll leave it right now at 145 and when we really try and communicate in August for the final budget, we can revisit it and see how we are doing at that time.

Ms. Burns: If it's still tracking under this year, we can adjust it down. SO just to make sure we got all the changes on the general fund, because I think Bob's ready to go onto capital, we've got the change from carry forward surplus to zero. We're changing attorney from 50 to 40, engineering from 50 to 25, the personnel expense will be a 3% increase not on the actual salaries in place but on the budget line item, and then that first quarter operating reserve is going to change based on the changes that we have just made and will adjust based on the balance from what we've reduced and moved.

Mr. Zelazny: So, there might be a carryover based on the readjustment of the budget but for the following year. That's all, I had on the general fund budget.

Mr. Hill: Basically, administrative budget is exactly the same that it was last year except for the \$45,000 for the...

Mr. Zelazny: Aren't we anticipating a reduction either in the arbitrage or the trustee fees now that we are down to less than 50 homes.

Ms. Burns: I have that in my report, let me pull it for you. I can give you the exact numbers.

Mr. Zelazny: I can wait until your report.

Ms. Burns: Arbitrage probably yes, depending on the timing. We have not hit the threshold yet. Trustee fees are based on a contract. It has nothing to do with the number of homes...

Mr. Zelazny: Okay, it's arbitrage that was. It's really insignificant in terms of funds. So, I'm fine.

Mr. Mecsics: Capital?

Mr. Zelazny: Now let me go into my favorite subject which is the capital budget. There are just a couple of administrative things on it. It's really primarily down in the lower

portion. The lean figures are incorrect in the out years. They are like a year off. That's an easy fix. I have it on the document that I gave you. It lays it out. There is no \$115,000 loan payment from the east this year. It finished last year, so that had to be taken out. And then the athletic equipment is a reserve study expense. So, it's a one-time expense, it's not an annual expense going across down below. There is a budget line for athletic equipment in the general fund which is to maintain which is in our contract. The replacement is in the capital budget. That's in the reserve study so it shows which piece of equipment are becoming obsolete and need to be replaced and that's where it comes. So, since they are all past their life expectancy, they all come due last year. So they are that year, but it's not an every year expense of \$18,000. So, that's just the administrative stuff to get...

Ms. Burns: You said 18. I see 21 and 10.

Mr. Zelazny: The actual reserve study budget for athletic equipment came in at like \$18,000 something. We spend 2.4 thousand on a new piece of equipment, so it leaves 14,063 left in that account.

Ms. Burns: So, should we just put \$15,000 for the athletic equipment line item?

Mr. Zelazny: That's close enough.

Ms. Burns: Okay so through 2023 to 2026 you want that to be zero, right?

Mr. Zelazny: Right. And going forward, the next couple of sheets, this is Bob Zelazny's review of the budget. I am trying to show on this first document that this is basically the capital budget from 2021. The first column that you see. The second column shows what we have spent against that budget line. And then the anticipated expense is what is still on the budget that we plan on doing this year. You can see, Colette, like in landscaping, we haven't spent anything but we're going to spend that \$6,800. What you can see is that in the capital budget, we had 38,000, or 388,000 in capital items for the year. And then you look at what we've spent, we've only spent 208,000 of that. Which leaves us some flexibility going forward. When you look at the FY22 budget, everything that's in the budget that includes the stuff that was in the budget this year that we didn't spend any money on, now it's a budgeted item for next year. So, you can see next year's budget, if we move everything over it's about \$636,000 worth of expenses. Duff would tell you that in order to meet when we get into the following charts, you'll see that we'll have

to make some decisions on moving something out and out of the 22 budget or if we want to reduce some of them in order to become financially viable in 2022 without doing anything to the thing. So, as we go forward, before we leave this chart, you can see down at the other projects line where it says anticipated expenses, the \$2,700 is our deductible on the roof damage that was incurred during the windstorm. I think we have already approved that. If these have not been approved, we need to do that today to get them in the pipeline because they are all necessary. I think the roof tiles were approved. James, was that approved? Did we approve the deductible payment on the roof tiles? Okay, so we have to approve the payment of the deductibles for the roof tiles. The alarm system was purchased. That's a safety feature that allows the people in the pool to get out. The golf fence is 988, that has been approved and it's been funded so it kind of goes away. Hole six, that's a guesstimate. \$25,000 for the drainage system. That is strictly a guess. As you remember, the last purchase came in at like \$53,000. We're looking at an alternative to that to bring that down. The easements have to be discussed today. That's kind of a high mark number. But there is an easement going to six and then there is an easement on ten. If we're going to do those two easements, then we need to move on those before the houses get done and the landscaping gets done. And the last one which needs to be approved today is the handicapped doors. That comes in at \$3,021. That's to put the handicapped doors in the restrooms. Which has been requested by a number of residents and it's also an ADA compliance issue. So, now that we have the issue brought to our attention, we need to move forward on that. We can talk about those projects separately because we need to vote on them. But you can see the magnitude of what we have for this year and then next year in FY22 budget you can see the magnitude of effort over \$600,000 in expenses. Now, a lot of those are associated with the HFC roof which we had \$80,000 in the capital reserve study. That was a number provided by the reserve study that did the reserve study for us in 2009. It appears now that the bill is going to be somewhere in the vicinity of \$200,000. So that's like \$120,000 of unanticipated expenses. There is the painting of the HFS which is \$20,000. I guess what I am asking, when you are looking at this 2022 budget, what of those items do you want to move out so that we can balance the budget in the capital account. That's that document. The second document is the capital expenses for the years 2022-2028. Jillian, that would be

the number that you used down on the lower portion of the capital budget. I think that kind of lays it all out. This is all the new numbers based on an upgraded reserve study. You can see that every year we have this significant amount of money that needs to be put against the capital projects. There are ways you can reduce that which is obviously don't spend the \$32,000 on roads every year to maintain them. Don't spend the \$15,000 for landscaping and reduce the number of other projects that are outside the reserve study. We really have done a pretty good job of doing that because the reserve study is captured just about everything. So, we have about \$70,000 of flexibility each one of those years to reduce the capital expenses and, as Duff would say, you can always move some of the reserves study things to another year to reduce the thing. The third sheet is the one that's very compelling when you look at it. It appears that if everything is funded in the FY22 year, you will see that based on our revenue we will be \$75,000 short of being able to balance the books in the capital budget. That sounds alarming but it really isn't in the fact that I already talked to you about almost \$180,000 is for a one-time bill that we got last year that we're not using. We're not spending all that \$18,000 on gym equipment on gym equipment. That \$18,000 could be pushed out over eight years. The kitchen equipment which is \$23,000. We're not spending \$23,000 this year on the kitchen. But you can push it out. You can do that with a lot of the items and then there are some that you can move out. The bottom line is, that in FY 2028 we can't push anything out beyond that. So, we're looking at a deficit six or seven years out of about \$900,000 that we have to make up for. This is just a reality check going forward. I think we are good to go this year. Even though it reflects a \$75,000 shortfall in the capital budget. I think we can execute the budget based on the reserve study and what's currently unfunded from this year. There are some things that we can move out that gets us well under that \$75,000. The problem is then going into 23/24/25. There's not that flexibility anymore to continue to move the money around. What I've done on the last sheet for your consideration, not for discussion today, but to let you know going forward as a community within the next two years we are going to have to take some kind of action to bring up the revenues in line so that we can meet our financial obligations in 2028. This is an alarmist document, but it is one that I think when we start adding things up and saying we want this, we need to say we have a \$900,000 shortfall in seven years, we need to be very frugal on what we take on as new

projects and how we approach any other project. Let me just up front say that there are a number of reasons why we got in this situation. Good intentions from the last Board voting in what we thought was a very substantial but adequate rate increase does not appear now to be able to sustain our budget through 2028. I have given you a couple options on how to approach it. I do not recommend an assessment increase for this year. IF we are going to have one. If we are going to have one, I recommend that we put it off at least until 2023 when we have the 2006 bonds renegotiated. I think there are 18 lots left to sell. We have to get down to 30 homes to be closed and we can renegotiate the 2006 bonds which will have a significant savings to the residents so they wouldn't recognize the increase. There are two ways of looking at how to finance the long-term debt. One is starting the assessment early and do it every year. Or you can look at it short-term which is a lower assessment, and it gets us through 2024 which the next year is our big year. After 2025 you'd have to substantially increase the assessment again from \$99 to almost \$207. That's long-term thinking and I just wanted to put it in front of you for your consideration and understanding as we try to figure out how we are going to work our way through this for the next seven years, for those of you who will be on the Board that long. For this year's budget, I think all we really need to do is to look through the list that's in the FY22 budget and decide if there's something that you want to delay a year.

Ms. McKie: Quick question, Bob. On the financing debt page, we have plus 13. Is that the 7%?

Mr. Zelazny: The handwritten number on the side is the 7%. Anyway, that gives us something to talk long term. I think we're fine in 2022. I don't believe that we need to have an assessment, again because we have almost \$70,000 in unexpended projects from last year that we're not going to go forward [with]. If we could quickly go down the budgets in the 22 budget to see what we wanted to move out, if there is anything. Other than that, some of the stuff you can't. The that's associated with the spas and the heaters and things like that, you just have to have it. A good example is like the, we didn't do the sports floor this year, but it was in the budget. Are we going to do it in 2022 or do we want to move it to 2023? The same thing with the racquetball court. I think we made a commitment that that has to be done this year. And the fitness floor in 2022, do we want to move that to

2023? To clear up any questions on the budget in case there are some unforeseen problems in the capital budget this next year.

Ms. Littlewood: I'm really a simple girl and I wrote everything on a budget at home and I like to have a bit of money in reserve, and we have nothing in reserve here. And I don't think we should be spending anything on anything that's not necessary for a safety reason. The racquetball courts, I went and had a look, and I can't see where it's nicked or anything. I just think that we need to pair back everything that we can until we get something in this reserve. We should have a million dollars in reserve. And we haven't.

Mr. Zelazny: On this funding line that I have presented to you, that's just to get us to zero in 2028. It doesn't provide any capital reserve. I totally agree with you. I think Duff thinks would be comfortable at \$350,000 in reserve. Everything that is in the reserve study on the spreadsheet is addressed and funded so that we should not anticipate any surprises going forward. Other than the special projects that have to be used up in the contingency. I totally agree with you. And that's really what I am asking today. When we are starting to do the 2022 budget. What didn't we spend in 2021 that we're going to push to 2022 or 2023? And then what we will do is we'll adjust the capital reserve study reflecting the change and dates so we can keep track of how much money is needed every year.

Mr. Mecsecs: To clarify what Angie said, we have money in the reserves. How much do we have in a reserve fund right now? \$350,000. It depends on what you say. If you read the reserve studies and what they say, 350 maybe 450 is close to that, yes ma'am.

Mr. Zelazny: If you have everything funded, if everything is funded, then a \$300,000 reserve is adequate. If you don't have it, then you need to have a higher number. The numbers I am giving you to look to the future show no end of year fund-downs. Right now, we just have an end of year fund-downs of \$350,000 which will be eaten up in the 2022 budget. What we need is to have an end-of-year fund balance of about half a million dollars. That would be ideal and then everything funded.

Ms. Littlewood: And that would mean no increases to residents. So, that's what we should be aiming for. We shouldn't be looking to say we're going to have to start increasing special assessments. We should be looking at taking out everything that is not

necessary. Maybe moving it over and not spending it and if it becomes an emergency, then spend it. But everything that's not an emergency needs taken out in my opinion.

Mr. Zelazny: That's what I just said we are going to do. We're going to go through and see what can be moved to the out years. So, we can go straight down the 22 budget and see how you want to adjust that under the capital. I personally don't believe we're going to spend \$32,000 on roads and bridges. We haven't done that forever. It is a nice place holder for money. If you'd rather, have it below the line, then you can reduce that \$32,000.

Mr. Mecsics: On the roads and bridges so far, we have expensed \$3,876.

Mr. Zelazny: The year before that we were at \$13,000 and we were under \$10,000 the year before that. We could probably...we picked up the bridges, but the bridges don't have an expense that come up until about 2029 or 2030. I'm in favor of reducing that, that's why I am bringing to the Board so that we can get it in the capital budget for this year. So, at the end of this year, we know where we are.

Mr. Mecsics: The roads and bridges I would say move it back to \$5,000 for next year. We've only spent \$3,076.

Mr. Zelazny: Yeah, but we've delayed some things. I would feel better if road and bridges were at \$20,000. Because there's not milling done other than Ashton Boulevard this year. The next two years, we're doing the milling of Ashton. It's three years out before Pebble Beach. Other than that, we're not spending any money on the curbs the cracks. I would feel very comfortable in committing \$20,000 but not any more than that.

Landscaping, Colette, you can talk to that. Now that we've relandscaped and we're into the perennial kind of business, do we need \$15,000 a year for landscape. I would almost want to reduce that and if we have the tree project, that would be a capital project that would come under other projects for that year where we would just have to identify the money.

Ms. McKie: So, you are saying to move the money?

Mr. Zelazny: When we are going to do a major landscaping project upgrade, that should be a project. It should come under the bottom category under other projects because this landscaping budget was designed to replace plants and do those kinds of

things. If we reduce that to \$5,000 a year or some number, I think would be a better number.

Ms. McKie: I think one of the things that we need to keep in mind about landscaping, and I brought it up in past months, is we have the magnolias, we have the Elaeocarpus, the Japanese blueberry, all of those things have never been properly taken care of and trimmed. If I remember correctly, it would be about \$15,000 to do those. Otherwise, we are going to start losing them. That's one of the reasons why the Elaeocarpus, the sculpted ones are hard to maintain because they have grown from eight feet to twelve feet. We need to have funds somewhere for that kind of work.

Mr. Zelazny: Well, landscaping is in your area, so it's really the number you're comfortable with.

Ms. McKie: I understand that the landscaping here is the plant replacements.

Mr. Zelazny: Yes, it's just to replace dying things. If we're going to be a major overhaul of the center isles, that should be a project. Whatever number you feel comfortable with.

Mr. Mecsics: Would you be comfortable with \$10,000.

Ms. McKie: Yes.

Mr. Mecsics: Alright, let's move it to \$10,000.

Mr. Zelazny: The other project line is \$30,000. This year we spent \$53,000 and next year we have already spent \$23,000 into that with the surge protectors. I would recommend that we make no changes to the "other" project line.

Ms. McKie: How do we decide those other projects? Those are things that come up and we vote on them, and we say we're going to spend them.

Mr. Zelazny: It was never in the budget, and it was just voted after the fact. Like the dog park. It was never in the budget, they want the fence, we said sure. Now it's there and we have to pay it. That's what makes up the other projects. What we spend out non-accounted for money on. That's a \$30,000 wedge.

Just going down because I know it's getting late, and we've gone over our time frame. The fitness floor was in this year's budget. We've decided we weren't going to do it so we moved it to 2022. DO we want to leave it in 2022 or move it to 2023?

Mr. Mecsics: I'll recommend that we defer it to 2023.

Mr. Zelazny: The ice machine, again, is a reserve study item. It's passed its life expectancy. It's really a place holder because if it doesn't break next year that \$10,000 just moves over. I don't anticipate it to be \$10,000 because we got the last one at a considerable discount thanks to James' negotiations. I recommend that is one that just moves. If we don't use it, it just moves.

The racquetball floor is an anticipated expense this year because we had voted to actually do that this year unless we are going to change that that would be one of the anticipated expenses through the end of this year.

Ms. Littlewood: Unless it's a safety issue, I don't think we should do that.

Mr. Mecsecs: Well, there was a commitment made by this Board.

Ms. Littlewood: I don't remember making a commitment to be honest.

Mr. Mecsecs: Well, you weren't on the Board then.

Mr. Zelazny: When you move things, you need to understand that you can only move them one or two years. You still have a bill to pay by 2028. What can be moved out and spread out over time are those big-ticket items like the kitchen and the fitness equipment and the HVACs. The sports floor was in the 2021 budget, we moved it to 2022.

Mr. Mecsecs: Defer to 23.

Mr. Zelazny: You want to move it to 2023. The water heaters, again, are a reserve study item which will not be spent unless the piece of equipment breaks. That \$1,000 or \$2,000 just moves along.

So, the 2022 reserve study, these are the items that come up. One is the pickleball court. That would be on its fifth year and the life expectancy is 5-7 years. In the budget is \$8,000. Talking to the vendor we can get it done for about \$3,500. He reminds me that there are no safety issues. No structural issues. Only cosmetics that the color isn't right. We can move it one year at the most. The issues is do we want to do it this year as the reserve study, or do we want to push it off to 2023?

Mr. Mecsecs: I would recommend that we defer to 2023.

Ms. McKie: And that would be not the \$8,000 but \$3,500?

Mr. Zelazny: The bids that came in were \$3,500 for each one of the two courts. We can just move that over if you want to do that. I wouldn't reduce the number.

Mr. Hill: It's not fair to ask me, because I want it all done now.

Mr. Mecsecs: Defer to 23.

Mr. Zelazny: The HFC is painting next year the building along with the guard shack. It's two years past when we were suppose to do it. James assures me that the cracks have been all taken care of. There should not be an issue putting that off until 2023.

Mr. Zelazny: Okay, we can't move that then.

Mr. Mecsecs: We'll leave that there.

Mr. Zelazny: The kitchen equipment, the \$22,400, because all of our equipment is past its life expectancy, that will just move on its sliding scale.

Spa one and the pool are requirements. The filtration system in the pumps and the heaters. So, those have to be in there.

The salad prep bar at the Eagle's Nest is \$2,500. I don't see that we cannot move that out. If it becomes a requirement, we can pick it up under a capital project. But I would move that.

Ashton Boulevard is the milling of the inbound road. Just so that you know, the delay from when it was originally supposed to be milled and now has gone up \$30,000. Between the inbound and the outbound.

Ms. McKie: Could you explain to me between the Ashton Boulevard line and up here where we have roads and bridges where we talked about milling there too.

Mr. Zelazny: Roads and bridges are just repairs for potholes and cracks. Those are just repairs.

Ms. McKie: I remember that Alan had said when we have about 12 houses to be built, that's when we should schedule the milling because there won't be as many heavy trucks and there won't be as much traffic. He also said that waiting until they are all done isn't necessary.

Mr. Zelazny: If we have it in this year's budget, it won't have to be spent for 15 months. But I think we need to have it identified and funded.

This is an appropriations bill. We are appropriating money against projects. During the course of the year is when the five of us authorize expenditures. Just because we have \$20,000 in painting the HFC, we don't spend a dime until the five of us collectively get together and decide that's what we want to do. You shouldn't be concerned with the appropriations portion of it because that just applies money.

The Eagle's Nest HVAC equipment I don't think is any problem in moving that out another year. But you can leave it in if you want or you can roll it up into all the HVACs and make it a 145 HVAC problem and combine them all and run it as a running scale. I can't anticipate that both will go out this year. If they, don't it just slides.

The last one out of the reserve study is the \$200,000 for the roof. The reserve study estimates when we paid to have the study came in at \$80,000. We're now getting estimates in excess of \$250,000. \$200,000 is our benchmark for next year and I think. It's a comfortable number we can live with. We are working with the insurance because the damage that we had is more extensive and maybe our insurance company will pay for part of the \$200,000. If we're going to make that commitment, then we won't do the necessary repairs now because the roof isn't leaking.

That covers everything that's on the reserve study that is supposed to be funded this year. And then you go down to other projects. The first one is \$23,000 for a surge protector. I highly recommend that. We've had a number of lightning strikes here in the building, so I think we need to do that, and we need to do that sooner than later. The last one is the pool coping which is the tile around the outside of the pool. That probably can be delayed. James is nodding his head, so yes it can be delayed, and we can push that to 2023.

I think that that covers everything that we need to have in the budget. That should address all of our financial needs for the year. I'll run the numbers and send an email to Jillian on what the bottom line is now on proposed capital expenditures. Going forward is our long term funding posture that we need to be aware of as we go forward trying to balance the budget. Angie, if you want me to include a capital reserve funding line, I can do that.

Mr. Mecsics: Does the Board agree to adding a capital reserve funding line item on there? We put on a funding line on our capital reserves that way we have it and we have visibility on that.

Mr. Zelazny: I can do that, or I can just change it to the financing debt chart and add \$350,000 to it and get there. That's a financial picture that is in support of the capital budget this year.

Mr. Mecsics: Any other comments from the Board members?

Mr. Hill: The only thing I might disagree with is I would like to see us try and patch the major road extensions past the roads because those are the biggest expenses, we're going to have over the next three years. If we can patch them and get them and make them last, I think that would help the budget and make it easier to manage the budget.

Mr. Zelazny: I will refer you to the capital project expense sheet which is the five-year budget plan which is out there and the reserve study. There are three major road projects that are coming between now and 2025. Ashton in, Ashton out, and Pebble Beach. You can move those one, two or three years. You are still inside the 2028 window that needs to be funded. What you can move out is the road projects outside the 2028 window are those road projects associated with Green, Sneed, Hogan, Nicolas, Back Nine, and Gray Hawk. Those are less traveled roads, and they can be pushed out a good number of years. As you get closer and closer, every year we are going to look at those expenses and move them. As we move some of that stuff, the critical numbers that you see in the deficit spending at the bottom line go away because we move it out. We have a very serious crunch year in 2025.

Mr. Hill: We also won't have the \$140,000 note that we have to pay every year. The reserve study to me is kind of a wish list of things we'd like to do and things we think we need to do. Using common sense, we probably need to do the best we can about managing the budget and moving some of this stuff forward to better handle the expenses.

Mr. Zelazny: A reserve study is not a wish list. It identifies the obsolescence of a piece of equipment or a facility. If it doesn't break, you don't spend the money. It's not a wish list.

Mr. Hill: Perhaps that's a bad choice of words, Bob, but the premise is still the same. We need to manage it a little bit.

Mr. Zelazny: I believe that's what we've been doing for the last 40 minutes. It's a living document.

Ms. McKie: As far as the roads are concerned, Alan has said every time he comes into the community, he inspects the roads. As far as patching, Aston Boulevard in, we're going to do a real job on that.

Mr. Mecsics: Alright, any other comments? Good job. Excellent job. After all that we just went through, and you have all the changes there, do I have a motion to approve the resolution?

Ms. Burns: And just to note, this also includes the golf budget that was presented earlier just so everyone is clear that it will be one document.

On MOTION by Mr. Zelazny, seconded by Ms. McKie, with all in favor, Resolution 2021-04 Setting the Public Hearing and Approving the Proposed Fiscal Year 2022 Budget for August 20, 2021, was approved as amended.

NINTH ORDER OF BUSINESS

COVID Procedure Update

Mr. Mecsics: Alright, COVID procedures update. I will keep the status simple. Obviously, our Governor has changed things. We have changed our proposals and what we do here. We still require that we clean, and I know Mary and her group reminds everyone that they should wear a mask if they have any issues. I would like to follow our friends on the east, I think now that we have gotten to that point, we no longer bring this as a normal update during the board meetings.

Ms. Burns: No more COVID updates, I will update the agendas going forward.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eckert: I just wanted to provide you with a brief legislative update and let you know; I have been working with Colette on some of those issues. She has been on the spot-on terms of getting things done. The delay has been in my office, so I just want to make sure the Board is aware of that. I'll get that caught up this week. The legislative update is there are a couple things that have passed. Your audit is going to change, there are going to be some additional requirements in your audit now. The burden of dealing with that is probably going to fall on your district manager. That includes amounts paid for compensation to employees, amounts paid to subcontractors of the district. And reports dealing with budget amendments and variances and things like that. As your aware, the Governor did pass the COVID bill which provides a very high burden for somebody to prove negligence against a local government claiming that they were exposed to COVID

due to the negligence of the local government. Included in that is doctor's testimony and affidavits and things like that. A defense is that id the district took any measures recommended by the local government, that that can provide a complete defense to any case. I think you're going to see a lot of stuff open up as liability aspects of COVID diminish. A couple other thigs, late payments to contractors have gone up from 1% to 2% and then also a bill was passed that makes it possible for cities and counties to abandoned roads to a CDD. But the most important thing for you to understand is that they can't do that without the CDDs consent. We have situations where some CDDS have a county or city road going through their boundary and they would like to have a little bit more control over access and they have not been able to do that in the past because the county owned the road. Those are the highlights of the legislative session. I would be happy to answer any questions anybody else has.

Mr. Mecsecs: Anybody else have anything for Mike? Alright Mike, thank you.

B. Lake Ashton II Community Director

Mr. Mecsecs: Mary has given all of us a community director's report. Our condolences to Mary because she has had a tragedy within the family, so I have not asked her to get up and talk to everybody. Within the community director's report there are some things and one of the requests in there that we had to consider putting into a budget is for replacing 100 chairs at \$2,009. That will be part as we go into our budget cycle as well. So far, everything that we have here is, Mary and her crew have done an exemplary job over here. Especially with the COVID restrictions. Having been here a couple of times when some of our residents have come through, they exhibit great restraint because I know people are on edge and they weren't nice to our folks. But they have done a great job. Please, I ask all of you to take a look through this if you have any questions after the meeting, just go one-on-one with Mary, because I didn't want her to have to go through this.

Ms. Burns: Are we looking for approval on the chairs?

| |
|---|
| On MOTION by Mr. Zelazny, seconded by Mr. Mecsecs, with all in favor, Chair replacement totaling \$2,009, was approved. |
|---|

C. District Manager's Report

i. Update Regarding the 2005 Bond Refinancing (*requested by Supervisor Zelazny*)

Ms. Burns: I have a couple of items today. Bob had asked to get an update on the 2005 refinancing as well as to look into the threshold for the 2006. I have the quarterly report for the 2006 in front of me, so we'll start with that. This is their quarterly report as of March 31st. So, there will be a new one at the end of June. These are the latest figures we have from the developer. There are 271 lots in the 2006 assessment area. No more than 10% can be owned by a single landowner, so in this case the developer. The number we need to hit is 244 closed to end users. This report is that they have 174 closed to end users. They do have 231 under contract. Those will be homes that are being built over the next several months. They are projecting 2022 as their complete to the buildout. We are not at the threshold to be able to refinance the 2006 at this point. We are getting closer. But everything they had under contract at the end of March, that still wouldn't get us there. Next year is probably closer to reality for that series.

In addition to that you also asked for the arbitrage fees. That threshold is 20% our magic number there is 217 close to end users. The last report was 174. We have at least one more quarterly report. I anticipate we'll get there at some point during the next fiscal year which we will see a reduction at that point. As far as the 2005, we did reach out to MBS for an update, I know Mike was speaking with Alan, we need to have the project declared complete before we can refinance. He went through all the requisitions and made sure everything was done. He needs to certify that's it's been complete, and Mike is working on the resolutions and the certificate for that. Mike, do you think the June meeting we'll have those to the Board for approval?

Mr. Eckert: Yes.

Ms. Burns: Once that's done, then we'll be able to move forward. The differed cost issue, I believe you're still looking into as well.

We are required to determine the number of registered voters each year. As of April 15th, that number is 882.

Mr. Meccsics: Very good. Any questions? Thank you.

ELEVENTH ORDER OF BUSINESS

Financial Report

A. Approval of Check Run Summary

Ms. Burns: Any questions on any of those? Is there a motion to approve the check run summary?

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

B. Combined Balance Sheet

Mr. Mecsecs: Combined balance sheet. Are there any questions? I don't think we need a vote or approval on that.

TWELTH ORDER OF BUSINESS

Supervisor Requests

Mr. Mecsecs: I just have one that I would like to throw out for everyone. We are always looking at ways of saving some money, whether we want to consider as a Board doing our meeting bimonthly versus every month. We will save some administrative costs on that. It all depends on what our workload is. Unless we have somethings, I think that is something that we should consider.

Mr. Hill: I'm all for it.

Mr. Littlewood: I'm happy to go bimonthly.

Mr. Mecsecs: I'd like to make a motion that we consider moving to every other month.

Ms. Burns: I think we have some things for just, so I think we hold the June meeting. Maybe skip July and then August is our budget. Let's plan on canceling the July meeting and adjusting there.

On MOTION by Mr. Mecsecs, seconded by Mr. Hill, with all in favor, Shifting to Bimonthly Meetings, was approved.

Mr. Mecsecs: Other supervisor's requests?

Mr. Zelazny: I want to go back a little bit on this year's budget and projects. The dog park fence, we have extended half the money for that to make that repair. Should we

move forward with it or should we...I don't know what we do, we've got the parts, we can't send the parts back.

Mr. Mecsics: Can this fit into our budget as far as expenditures?

Mr. Zelazny: I think the proposal is \$1,300 and we are about \$700 in. We've already paid half of it for the poles and everything. Now it's just a project that's languishing. I would just recommend that we spend the other \$600 and get it done rather than just have it hang.

Mr. Mecsics: Any disagreements?

Ms. Burns: Was this a result of damage from something that would be covered under insurance?

Mr. Zelazny: No, it was a request by a resident because the dogs would get out underneath the fence. We approved the thing to do it, but we weren't moving forward. The materials were delivered and now we need to move the project. I'd like to see it out of the way. I'd also like to get a vote on the handicapped doors for spending the \$3,021 for accessible bathrooms.

Ms. Littlewood: Does the fitness center have a handicapped bathroom?

Mr. Zelazny: The doors are left opened. How much was the exterior one out front? It will be \$5,000 if we're going to do any exterior doors.

Ms. Littlewood: The reason I am asking is because [someone] was telling me that they had had some operation on their knee, and they had to come for physical therapy. They were told to use that backdoor because it was closer, and they couldn't get in.

Mr. Mecsics: That might have been during the COVID restrictions when we were restricting people coming in and out. Those doors are wide open now.

Mr. Zelazny: James, could we ask you to get a quote for an exterior and interior door. We'll look at them and out them on the thing. But I would ask that we approve the \$3,021 for the handicap door to be installed.

| |
|--|
| On MOTION by Mr. Zelazny, seconded by Mr. Hill, with all in favor, Installation of Handicap Accessible Doors Totaling \$3,021, was approved. |
|--|

Mr. Zelazny: Lastly is the issue with the easements we've gone over. Can we delay it until the June meeting? Should we approve it? Or should we put it to bed?

Mr. Mecsecs: The easements that we were talking about were the ones at the end of Pebble Beach. Until we resolve the water, we can't lay any cement. The other is over by 10. That's just a general easement for utilities. That's just to get onto the golfcart path. We can wait until next month until we have better information and better costing. We are delaying doing it until the pipes and the water is done. I believe we did vote to approve it based on a cost estimate of about \$3,500.

Mr. Zelazny: If there are some issues with putting a path through there maybe we should have Alan get us the information on what we can and can't do with that location. I know it's \$3,500 but I have yet to hear that they don't want it. We'll put it on the agenda for June.

Lastly is an information to the people that are on Zoom and in the room and at the Board. A lot of people have good ideas on what they would like to see with changes. The decisions on the golf course operations and everything is made by indigo golf. They solicit input a number of ways. Indigo will take that information to a golf advisory committee which is made up of representatives from different groups. They meet on a regular basis. They are not the authority to implement anything. They advise and inform indigo golf. That advisory board represent 80% of the golfers. When a decision is made on 6,000 yards, those are decisions made by Indigo Golf and the only time they come to the Board is if they cause a change in revenue or budget. I am the point of contact to the Board, if there is an issue or concern, let me know. Please let your voice be heard at the advisory meetings.

Mr. Hill: What about the motion for the dog park? Does it need to come to a motion and vote?

On MOTION by Mr. Zelazny, seconded by Mr. Hill, with all in favor, the \$700 Cost to Complete the Dog Park Project, was approved.

THIRTEENTH ORDER OF BUSINESS

Public Comments

Mr. Scaley: Tom Scaley (Lot 378). It has to do with the fitness center. In February I noticed one of the newer machines was not working. It's very important to me and I know the PT people are using it constantly. I am above the beginning stages, and I need additional tension. I mentioned it in February. I mentioned it again in April. I mentioned it again in May. That machine is still not corrected. I don't know if it's a problem with the vendor, finance, or miscommunication, but I would really like to see that corrected. If there is any reason that it can't be corrected, I would hope that the Board would communicate that with me so that I understand.

Mr. Mecsecs: Thank you. Mary will get with James. Mr. Williams.

Mr. Williams: Stan Williams (Lot 155). When an item comes up, the comment today was not something that was on the agenda, and I think that one should have been held to the end. Just procedure. Two meetings ago, I said I was concerned about the builder selling any of the assets. Jim you were going to follow up with the builder because I think that could impact the budget going forward.

Mr. Mecsecs: I appreciate that, I asked the owner, not the builder, those two buildings. The answer was that they were not considering selling them at this time. Anything else?

Ms. Burns: If anybody on the Zoom line has a public comment, you can use Zoom's raised hand feature now to be called on. I don't see any comments.

FOURTEENTH ORDER OF BUSINESS

Adjournment

Mr. Mecsecs: There being no more comments, I will ask for a motion to adjourn.

On MOTION by Ms. Littlewood, seconded by Mr. Mecsecs,
with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman