

**MINUTES OF MEETING
GRAND HAVEN
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Grand Haven Community Development District held a Regular Meeting on July 18, 2019, at 10:00 a.m., in the Grand Haven Room, at the Grand Haven Village Center, located at 2001 Waterside Parkway, Palm Coast, Florida 32137.

Present at the meeting were:

Dr. Stephen Davidson	Chair
Tom Lawrence	Vice Chair
Marie Gaeta	Assistant Secretary
Kevin Foley	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Barry Kloptosky	Operations Manager
Scott Clark	District Counsel
David Sowell	District Engineer
John Melendez	MOV Consultants, LLC
Stacie Acrin	Grand Haven CDD Office
Roy Deary	Vesta/AMG
Jay King	Vesta/AMG
Larry Stuart	Vesta/AMG
Teresa Clark	Public

Residents present were:

Kathleen Fuss	Rob Carlton
Ed Pakel	Charles Greer
Mike Frichol	Diane Frichol
Mike Wright	Barbara Wright
John Polizzi	Al Lo Monaco
Denise Gallo	Vic Natiello
Tom Byrne	Rich Correia
Joe Falco	Margo Dowling
Pat Maloney	Patty Steele
Lisa Mrakovcic	Frank Mrakovcic
Merrill Stass-Isern	Nancy Velardi
Judy Reese	Suzanne Day
Mike Campbell	Patsy Campbell
Ron Merlo	Laura Foley
Mary Ann Derbaum	

Disclaimer: These summary minutes are intended to highlight the topics discussed, items being considered and actions taken.

CALL TO ORDER/ROLL CALL

Mr. McGaffney called the meeting to order at 10:06 a.m. Supervisors Davidson, Gaeta, Lawrence and Foley were present, in person. Supervisor Smith was not present.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

THIRD ORDER OF BUSINESS

PUBLIC COMMENTS (3-Minute Rule; Non-Agenda Items)

Resident Tom Byrne expressed concern about an issue on the sidewalk on Waterside Parkway and asked why a cone was placed in the area, rather than the area being repaired immediately. Mr. Kloptosky stated that the sidewalk was on the list but the contractor missed it; in-house staff would complete the repair.

Resident John Polizzi stated that positive feedback was being received regarding the recent work in Wild Oaks.

Resident Merrill Stass-Isern expressed concern about algaecides being used on the tennis courts and the use of reclaimed water. She voiced her opinion that a permanent shade structure is needed at Court 7. She suggested establishing a Tennis Committee.

Resident Mary Ann Derbaum discussed the controls imposed on the televisions in the Fitness Center and stations that are blocked, such as sports stations, etc. Mr. Kloptosky stated that residents should notify the CDD office if they want certain stations unblocked.

Resident Richard Correia discussed the condition of Pond 11 and information he read. He provided photos of Pond 11 and other documents. Mr. Kloptosky stated that he was aware of the Pond 11 issues and a contractor would be testing very soon.

FOURTH ORDER OF BUSINESS

STAFF REPORTS

A. District Engineer: *DRMP, Inc.* [David Sowell]

This item was presented following Item 4B.

B. Amenity Manager: *Amenity Management Group, Inc.* [Robert Ross]

Mr. Kloptosky stated that there were amenity deficiencies and supervision issues.

Mr. Deary distributed a letter addressed to the Board, dated July 18, 2019, and read the letter into the record, as follows:

“Good morning. I’d like to briefly respond to the deficiency notice that Vesta received on June 24 from the District. I’ll begin by expressing our appreciation for the time, expertise and direction that Barry Kloptosky and Howard McGaffney have provided us during this period. They are true professionals and both Grand Haven and our team members are much the better for the two of them and their considerable contributions.

We are very regretful and remorseful about how we’ve allowed our management and operating performance to become so deficient that a letter from the District was warranted. As an example, I regret that when I turned over the responsibility for overseeing this contract to Jay King, I did not request a meeting with him, Robert Ross and Barry to review our contract’s scope-of-work in detail, to ensure a complete internal understanding as well as alignment with Barry on behalf of the CDD. There is no excuse for our recent performance and we well-know that we’re being held accountable on multiple levels and in multiple ways.

However, we are also quite positive and enthusiastic about the direction and specific changes we’re making in response to the letter as well as in fulfillment of our contract and this important relationship with the District. For example, much clearer communication and better support for our frontline team members are happening now on multiple levels and in multiple ways. We know that these and other changes were necessary and overdue; while we’re by no means all the way there yet, we’re making good progress now.

While I’m very appreciative of the dedication and success that Robert provided Grand Haven for so long, I’m also eager to keep moving forward with our team members who’ve totally “bought into” the direction that we’re going on behalf of the District. To that end, Jay and I are pleased to be joined by the individual who so well-embodies our team’s commitment to Grand Haven and who brings exemplary hospitality leadership experience and talent to this key role, our new Amenities Manager, Larry Stuart.

Although I’m proud of our overall service for the District for the large majority of the past 12+ years, nobody in Vesta has any semblance of an “entitlement mentality” when it comes to our standing with Grand Haven. We know that we have to earn your confidence every day, we are totally committed to doing that, and we know that you will ultimately judge us not by our statements or intentions but by our results.

Sincerely,

Roy Deary”

Mr. Deary stated he is President of the Amenities Division, with Vesta Property Services.

Supervisor Davidson discussed the documented issues and CDD Staff observations and stated that remedies were underway. He introduced Mr. Stuart, the new Amenities Director.

Mr. Stuart detailed his extensive experience in the hospitality industry, professional philosophy and plans for the community.

Discussion ensued regarding the café profit and loss (P&L) and revenue-share arrangement between Vesta and the CDD, simplifying the revenue-share process, the legalities of the CDD receiving revenues, the point-of-sale (POS) system, cost to upgrade and purchase or lease a new system, Vesta's history of letting services backslide, deducting from the monthly amount paid to Vesta to offset costs incurred by the CDD for any issues deemed by Mr. Kloptosky as being attributable to Vesta's performance and Vesta providing specific information of how it would ensure this does not happen again, etc.

Vesta would provide weekly updates.

▪ **Update: Amenity Management Group, Inc., Management Services Agreement**

This item, previously Item 6F, was presented out of order.

Mr. Clark discussed the drawbacks of CDDs having amenity management in-house and noted the following:

- As a governmental entity, the Sunshine and public records laws would immediately apply to nearly every decision made, including reservation lists, records of usage, purchases, etc. With regard to the Sunshine Law, meetings of any groups, such as advisory groups, would have to be publicly advertised and members of any groups or others would be prohibited from discussing matters outside of an advertised meeting, etc.

Discussion ensued regarding bringing amenity management in-house, advertising a Request for Proposals (RFP) for Amenity Management Services, the Board's feeling that the District paid for services it did not receive, wanting assurance from Vesta that services would not drop off again, Mr. Stuart's plans for improvement, holding a resident appreciation event to introduce Mr. Stuart to the community, requiring Vesta to credit back for services in Vesta's contract that Mr. Kloptosky felt were not being provided and for employee positions that were vacant or not filled, placing a CDD employee at The Village Center office, etc.

Mr. McGaffney recommended allowing Vesta the requested 120 days to remedy the situation and make recommendations on revising the Amenity scope of services and agreement.

Mr. Pollizi voiced his opinion that objectives should be set for Vesta for the next 120 days and ongoing.

The meeting recessed at 11:35 a.m., and reconvened at 11:58 a.m.

▪ **Discussion: Crosswalk, Speed Bump/Hump**

This item, previously Item 6C, was presented out of order.

Mr. John Melendez, of MOV Consultants, LLC (MOV), reported the following regarding the intersection of Creekside Drive and North Village Parkway:

- The intersection was observed for three, two-hour time periods during one day.
- Traffic and pedestrian volume at the intersection was relatively low; it was a “lower volume” intersection so the focus was on qualitative observations.
- Speeding was an issue; therefore, improvements should first focus on reducing speeding by way of possibly installing temporary speed humps, landscape improvements to improve line of site issues, speed limit signage, etc.
- Once the speeding issue is addressed, the matter of a crosswalk could be reevaluated.

Discussion ensued regarding signage or ways to alert drivers about speed humps, other signage and guidelines regarding signage, types of speed humps, landscape changes underway, connecting the sidewalk, potential negative resident reaction to speed humps, potential issues/dangers of having a crosswalk near the gate, whether a survey or permit would be required, etc.

Dr. Stass-Isern expressed concerns regarding a speed hump and school buses dropping students in that area.

Resident Mike Wright questioned if speeding was truly an issue near the gate. Speeding in other areas of the community was discussed. Mr. Wright suggested installation of stop signs. Mr. Melendez stated that stop signs were not recommended by MOV.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, authorizing Staff to begin a study and all consultant and hard and soft costs related to potential installation of speed humps, in not-to-exceed amount of \$10,000, was approved.

▪ **Continued Discussion: Wild Oaks Stormwater Drainage**

This item, previously item 6E, was presented out of order.

Mr. Sowell explained how stormwater systems are designed to handle normal and 100-year rainfalls and storm surge and noted the following:

- Curbs, gutters, inlets and pipes are generally designed for three to ten-year storm events.
- Ponds are designed for 100-year, 24-hour storm events with 11" to 17" of rainfall in 24 hours.
- Not much can be done to prevent flooding from hurricane-level, category 2 or higher storm events when building near the ocean.

Mr. Sowell reviewed a map containing data regarding elevations and flood threats and explained the extreme circumstance it would take for Wild Oaks to flood. He noted the previous recommendation to restore the drainage to the original design. Although the Wild Oaks' homes are at a lower elevation and it is not unusual for water from the inlets to enter the roads, the homes are well-above the roads so water would flow out before flooding the homes, subject to proper maintenance. The control weir was in great condition; overall, the three points of concern were in very good condition, the system is still functional, it is not unsafe and homes should not be at risk.

Discussion ensued regarding pipes being effective under normal dry conditions but not making a difference under the conditions that residents might be most concerned about, whether a berm should be eliminated to allow additional outflow during extraordinary situations, water flow, etc.

Supervisor Davidson discussed the control structure and the City's area of responsibility. Next week, several City officials, Supervisor Davidson and other CDD Staff members would perform a site walk, as part of rolling this all into a master site plan.

▪ **District Engineer: DRMP, INC. [David Sowell]**

This item, previously Item 4A, was presented out of order.

Regarding road resurfacing, Mr. Sowell discussed the following:

- Generally, none of the roads were of any immediate concern.
- In the future, consider repairing inlets along roads, such as filling the low area or creating a lip.
- The \$300,000 budgeted for Fiscal Year 2020 road repairs should be sufficient to complete the work in The Crossings.
- A standardized plan for the road resurfacing project would be developed.

- The District has some time, as the roads are not deteriorating as quickly as thought.
Discussion ensued regarding roads to consider repairing in Fiscal Year 2020.

C. Operations Manager: *Barry Kloptosky*

Mr. Kloptosky discussed the following:

- Property at 425 Riverfront Drive: Property was now for sale and the District may want to consider purchasing it for future amenity use. It would probably need to be rezoned.

Discussion ensued regarding potentially purchasing the property, the need to obtain appraisals and practice due diligence to ensure that CDD funds are spent wisely, rezoning, the potential loss of 24 assessable units and the possible impact on the assessments of the current property owners. This item would be discussed during the upcoming meeting with the City.

- Village Center Tennis Court Fence Installation: Work should commence by the end of July. Once the date is known, a notice would be sent regarding closings.

- Village Center Stucco Repair Project: Work was underway and, thus far, there were no major issues of concern.

- Truck, Trailer and Mule: The previously approved truck and trailer were purchased. A mule was also purchased.

- New Lift Truck: The new lift truck should arrive next week.

- New Shed: Sheds were being researched but a decision was pending.

Supervisor Foley noted weeds on the Esplanade and stated that Yellowstone is responsible for addressing weeds. Mr. Kloptosky would notify Yellowstone about the weed and other issues.

- Golf Cart Crossing Lights on Egret: Installation was completed.

- **Discussion: Sidewalk Coating**

This item, previously Item 6D, was presented out of order.

Mr. Kloptosky recalled previous sidewalk coating tests. Dex-O-Tex coating performed better than other products; more would be ordered and tested in other locations. Another product was tested and also worked fairly well. Once he determines which product works best, it would be purchased and applied by in-house staff. Areas of concern should be reported to the CDD office so staff can clean them immediately.

D. District Counsel: *Clark & Albaugh, LLC* [Scott Clark]

Mr. Clark reported the following:

- Hurricane Irma FEMA Claim: Everything was done and payment was pending.

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➤ Hurricane Matthew FEMA Claim: All requested information was submitted and FEMA indicated there were errors. It was likely that FEMA would deny approximately \$20,000 for work that did not have adequate support documentation.

➤ Mailbox Surrounds: He would contact the Postmaster again regarding maintenance of the mailbox surrounds.

E. District Manager: *Wrathell, Hunt and Associates, LLC* [Howard McGaffney]

Mr. McGaffney reported the following:

➤ CDD Staffing Levels/Pars: Over the next few months, he and Mr. Kloptosky would meet to evaluate the current and future staffing needs.

➤ Reserve Study: The draft Reserve Study was completed and reviewed. He would meet with Dreux Isaac & Associates (DIA) staff to go over the document, information and figures. Once more refined, the Reserve Study would be provided to Mr. Kloptosky for review. The Reserve Study would be discussed at a future workshop.

➤ FEMA Claims Reimbursement and Fiscal Year 2020: Regarding the Fiscal Year 2020 budget, for better tracking of the reimbursements received, he suggested creating a committed fund balance line item or increasing the “Disaster recovery” line item by the equal amount received from FEMA.

▪ **Continued Discussion: Fiscal Year 2019/2020 Proposed Budget**

This item, previously Item 5A, was presented out of order.

Mr. McGaffney reported the following:

➤ The changes from the last meeting were made.

Discussion ensued regarding refining the Fiscal Year 2020 Capital Improvement Plan (CIP) and the process for approving CIP projects and amounts in the CIP.

FIFTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

Mr. McGaffney presented the Consent Agenda items.

A. ACCEPTANCE OF UNAUDITED FINANCIAL STATEMENTS

- **Unaudited Financial Statements as of May 31, 2019**

- **Updated CIP**

B. APPROVAL OF MINUTES

- i. **June 6, 2019 Community Workshop**

ii. June 20, 2019 Regular Meeting

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the Consent Agenda Items, were approved.

Discussion ensued regarding whether a list of follow up and update items should be included in the meeting and workshop agendas.

▪ **Update: Community Information Guide (CIG)**

This item was an addition to the agenda.

Ms. Acrin stated that the final proof of the CIG was pending. Supervisor Gaeta noted that the Amenity Manager information in the CIG was no longer correct.

Ms. Acrin would contact the publisher to find out if the Amenity Manager information could be changed.

Mr. Sowell left the meeting.

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Continued Discussion: Fiscal Year 2019/2020 Proposed Budget

This item was presented following Item 4E.

B. Continued Discussion: Definition of Open/Closed Amenities

This item was tabled to the next workshop.

C. Discussion: Crosswalk, Speed Bump/Hump

This item was discussed during the Fourth Order of Business.

D. Continued Discussion: Sidewalk Coating

This item was presented during Item 4C.

E. Continued Discussion: Wild Oaks Stormwater Drainage

This item was presented during the Fourth Order of Business.

F. Update: Amenity Management Group, Inc., Management Services Agreement

This item was discussed during Item 4B.

G. Consideration of Resolution 2019-07, Designating Dates, Times and Locations for Community Workshops and Regular Public Meetings of the Board of Supervisors of the District for Fiscal Year 2019/2020; and Providing for an Effective Date

Mr. McGaffney presented Resolution 2019-07. The following changes were made to the Fiscal Year 2020 schedule:

Throughout: Change "Community Issues" to "Community Workshop"

December 19, 2020: Change "Regular Meeting" to "Community Workshop"

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, Resolution 2019-07, Designating Dates, Times and Locations for Community Workshops and Regular Public Meetings of the Board of Supervisors of the District for Fiscal Year 2019/2020, as amended; and Providing for an Effective Date, was approved.

Supervisor Gaeta stated that she wanted to proofread the CIG prior to distribution. She discussed the distribution process. Supervisor Davidson asked if renters would receive a free CIG. It was determined that, previously, renters were not charged for the CIG. Discussion ensued regarding whether to charge registered renters for the CIG or if they could receive it for free, in lieu of the owner receiving it. The decision was to not charge renters and distribute the CIG to the property owner or registered renter.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

Item E was removed.

The following items would be included on the August 1, 2019 Continued Meeting agenda:

- "Point-of-Service (POS) System Proposal"
- "Review Open Items List"

The following item would be included on the next workshop agenda:

- Continued Discussion: Definition of Open/Closed Amenities

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Supervisor Foley stated that he heard there were several hundred new residents and asked what activities the new residents participate in or what they want. He suggested trying to find out the information, as it might be useful for future planning.

UPCOMING WORKSHOP/MEETING DATES

- **August 1, 2019 at 10:00 A.M., Community Workshop**

The next workshop will be held on August 1, 2019 at 10:00 a.m., immediately following the Continued Meeting.

- **August 15, 2019 at 10:00 A.M., Board of Supervisors Meeting**

The next meeting will be held on August 15, 2019 at 10:00 a.m.

TENTH ORDER OF BUSINESS

ADJOURNMENT

The meeting recessed at 2:20 p.m., and was continued to August 1, 2019 at 10:00 a.m.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, recessing the meeting at 2:20 p.m., and continuing it to August 1, 2019 at 10:00 a.m., was approved.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair