

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

The Board of Supervisors of the Grand Haven Community Development District held a Continued Regular Meeting on Thursday, November 21, 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
Ray Smith	Assistant Secretary
Kevin Foley	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Scott Clark (via telephone)	District Counsel
Barry Kloptosky	Operations Manager
Stacie Acrin	Grand Haven CDD Office
Donna Conforti	Grand Haven CDD Office
Larry Stuart	Amenity Manager - Vesta/AMG
Andrew Huebner	Assistant Amenity Manager - Vesta/AMG
Roy Deary (via telephone)	Vesta/AMG
Jay King	Vesta/AMG

Residents present were:

Al Lo Monaco	Denise Gallo	John Polizzi
Rob Carlton	Chip Howden	Tom Byrne
Vic Natiello	Kathleen Fuss	Don Plunkett
Ron Merlo	Geraldine Marsh	

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. McGaffney called the meeting to order at 10:06 a.m. All Supervisors were present, in person.

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

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

BUSINESS ITEMS

A. Continued Discussion: Village Center Café - Menu Prices, Quality and Quantity of Food

Mr. Stuart and Mr. Huebner reported the following:

- Beginning November 6th, comment cards were made available to residents and 229 were received, to date. Ratings were on a scale of 1 to 5, with 5 being the highest.
- Rating Results Averages: Presentation was 4.71, Food Quality and Flavor was 4.68, Value was 4.61 and Service was 4.89. The overall score was 4.72, which would equate to 94.4 on a scale of 100.
- Vesta planned to utilize comment resident cards for the facilities.
- Action Items to address, based on comments: Increase wine options, menu variety and options, Saturday hours, healthier options and portion sizes.

Supervisor Lawrence asked if the French fries and pasta portion sizes were returned to the same as before Mr. Stuart arrived. Mr. Stuart replied affirmatively. Discussion ensued regarding portion sizes, food quality, changes already made by Vesta, menu prices, combating price/value perceptions and misconceptions, etc.

Supervisor Gaeta asked if residents noticed and acknowledged the changes. Mr. Stuart replied affirmatively; residents feel that they now have “their” Café back. Mr. Huebner stated that, on the comment cards, residents have commented positively about the changes.

Supervisor Davidson asked if Café patronage was returning to the prior levels. Mr. Stuart stated that, outside of actual sales, the numbers were probably down due to the current building renovation project, which has created access challenges; the numbers were not related to any issues with food quality, service, etc.

Mr. Kloptosky stated that, per the contractor, the renovation project should be completed by the end of December or early January; however, he was not confident of that time frame.

Discussion ensued regarding Vesta's plans for future resident comment cards and/or surveys for the Café and amenities/activities and what questions and topics to include in the surveys.

Mr. King reported the following regarding the Café:

- After expenses and wages, the gross profit was 22%, equating to slightly over \$131,000; however, the miscellaneous expenses of about \$32,000, for expenses such as the point of sale (POS) system monthly fees, bank fees, credit card per transaction fees, licensing and charitable contributions, plus the annual bonus to Café employees, were not included.
- After all expenses, the gross profit came in at about 16% of total sales, or approximately \$97,000. Other direct expenses, such as workers compensation insurance and payroll processing, were not factored in against the profit percentage.
- After profit sharing with the CDD and the former Amenity Manager, the gross profit was about \$39,000

Mr. King presented additional figures and discussed the array of operating expenses and many challenges to operating a restaurant. Based on the figures presented, Mr. McGaffney surmised that they would be upside down, as a standalone restaurant, by about \$40,000.

Discussion ensued regarding rental costs for a local restaurant, determining how the Board wants to determine profitability for the Café and how the Café Management fees should be handled.

Supervisor Lawrence expressed his opinion that having a portion of the Amenity Manager's salary based on the Café profitability caused the Amenity Managers to place greater emphasis on the Café, at the sake of other amenities; therefore, he did not want any part of the Amenity Manager's salary tied to the Café profits. Supervisor Davidson concurred with Supervisor Lawrence. He added that he also did not want the Assistant Amenity Manager's salary to be tied to Café profits and he wanted to remove the revenue share arrangement between Vesta and the CDD and returning those profits to residents, in the form of price adjustments. Supervisor Foley concurred with Supervisor Lawrence's position about not tying salary to the Café profits but believed that the Café should have some profitability in order to reinvest and improve the facility. Supervisor Gaeta discussed past issues with trying to have the

Café run as a standalone operation and voiced her opinion that the District now has people in place that have the skill set to properly run the Café. She believed that Vesta should be given the opportunity to come up with a management fee that is good for them and the CDD.

Mr. Stuart noted that, while Vesta does not have certain expenses with the Café, such as rent, Vesta would have the liability to cover certain things, in the event of a major event. He noted that, as this is a CDD, Vesta does not have the ability to drive sales beyond residents.

Supervisor Smith stated that, in discussing this with a successful restaurateur, he was told that, if the CDD wanted to run the Café as a standalone, the cost for a restaurant manager would be about \$70,000, which was not factored into the discussion but would essentially eliminate any profits. He discussed the difficulty in determining how to run the Café and how to accurately reflect the Board's intentions in the Request for Proposals (RFP).

Resident Al Lo Monaco, who previously operated the Café, felt that residents were not well informed about the Café operations and are only focused on the prices, as they believe the CDD subsidizes the Café so the prices should be less than outside of the CDD. Supervisor Davidson asked Mr. Lo Monaco to provide Management with approximate figures for average profitability, rent prices, utility costs and all expense categories related to running a restaurant.

Resident Chip Howden stated that he received the comment card/survey every time he visited the Café since they started using them. He felt that the convenience of the Café was a benefit.

Resident Ron Merlo stated that he wanted Vesta to do no better with the Cafe than to break even and he felt that all profits from the Café should be given to the CDD. He voiced his dissatisfaction with the price to quantity of the Café versus outside restaurants.

Mr. McGaffney summarized that, regarding Café operations and the RFP, a determination must be made whether to use revenue sharing to reinvest in the physical assets, such as equipment and the building and how to balance Café pricing to achieve the goal of reinvesting in the assets or fund reinvestment into the assets through the Capital budget, which could require an increase in assessments. The Board Member preferences were as follows:

Use Revenue Sharing to Reinvest in CDD Assets: Yes: Supervisor Foley No: Supervisors Gaeta, Davidson, Lawrence and Smith.

Use Capital Funds for Reinvestment in the CDD Assets: Yes: Supervisors Gaeta, Davidson, Lawrence and Smith No: Supervisor Foley.

Discussion ensued regarding the scope of the RFP, with regard to Café operations.

Mr. Stuart asked for approval of the expense for new menu covers. The Board agreed to the expense, as the cost was within the Operations Manager's spending authority; Mr. Stuart would work with Mr. Kloptosky on this matter.

B. Continued Discussion: Resident Online Directory

This item was presented following Item 3D.

BOARD RECESS: AUTHENTIC ITALIAN SPECIALTY MENU TASTING [11:00 AM – 11:20 AM]

The meeting recess was delayed to 11:34 a.m. The meeting reconvened at 11:54 a.m.

C. Discussion: Wildfire Mitigation in District, Florida Forest Service

- **Community Wildfire Risk Assessment and Recommendations**

Supervisor Davidson gave a brief history of the District's involvement in the Firewise Communities program, the work that was completed, the benefits of participation, what was accomplished over the last ten years and the significant savings to the District, as the Florida Forest Service performed the clearing at no charge to the CDD. He discussed issues created when certain residents got the City involved, which resulted in the City trying to require the District to do things that were directly against the policies and regulations of the St. Johns River Water Management District (SJRWMD), the regulating entity for that area, and created problems for the District. Now, as a result of the aggravations this caused not only for the CDD but also for the Florida Forest Service (FFS), the FFS essentially advised the CDD that it would no longer provide any wildfire mitigation clearing services to the District, meaning that, going forward, the District must find a contractor and fund the clearing that was previously provided by the FFS, and, additionally, the District must work on its own with the SJRWMD with regard to wildfire mitigation clearing.

Supervisor Davidson stated that, with the District taking this on, there would be expenses related to the advance work to evaluate the areas and developing a plan, numerous meetings with the SJRWMD, drafting an agreement with the City and the contractor performing the work.

Discussion ensued regarding the major issues caused by those certain residents that continue contacting the City, SJRWMD, etc., some of which might result in even more expenses to the District, such as permitting costs, litigation since the City and SJRWMD have opposing positions, etc.

Mr. McGaffney stated that the District must budget for this and a new budget line item would be created for Fiscal Year 2021.

- **Firewise Communities/USA Certification Renewal**

Supervisor Davidson discussed the certification renewal application process and requirements.

D. Discussion: City of Palm Coast Update on Interlocal Agreement Regarding District Common Area Wildfire Mitigation

Supervisor Davidson presented an Amended Interlocal Agreement between the City and the District, adding wildfire mitigation. As was previously established matters related to trees on CDD property, Code Enforcement should forward all calls related to wildfire mitigation areas to the Operations Manager's office and refrain from issuing any violation notices related to wildfire mitigation areas and contact the Operations Manager's office so that on-site staff can evaluate the situation. He noted that District Counsel had no issues with the proposed changes.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, the Amended Interlocal Agreement Between the City of Palm Coast and the Grand Haven CDD, to include wildfire mitigation, in substantial form, was approved.

- **Planning and Scheduling for Wild Oaks Stormwater Presentation**

Mr. Kloptosky stated that the District Engineer has information to add, specific to Wild Oaks. Supervisor Davidson, the District Engineer and Mr. Kloptosky would coordinate and meet with the City. Discussion ensued regarding having the City give a presentation at a CDD workshop, notifying residents about the presentation, Ditch 10 issues, etc.

- **Continued Discussion: Resident Online Directory**

This item, previously Item 3B, was presented out of order.

Supervisor Davidson recalled discussion at the last meeting about the CDD no longer being involved in creating the Community Information Guide (CIG) and the possibility of Amenity Management providing an online, interactive resident directory. Mr. Clark noted at the last meeting that, with the public records law, he was of the opinion that, since the Amenity Management company is employed by and paid by the CDD, an online directory could also be subject to the public records law, as the obligations extend to contractors of a public agency.

Supervisor Davidson stated that Mr. King would provide an example of its online resident database application used in other communities.

Supervisor Smith stated that the POA was waiting for an email from the District requesting that the POA consider taking over the CIG; Mr. McGaffney would email the request.

E. Continued Discussion: Keeping Grand Haven Grand, Part Two

Supervisor Davidson felt that it would be good to hold another Realtor Roundtable with different realtors. Discussion ensued regarding the takeaway from the last Realtor Roundtable.

Supervisor Davidson discussed the "Keeping Grand Haven Grand, Part Two" document outlining things to consider, future projects, the Board's goals, reviews and updates to be made, prioritizing the CDD's needs, long and short-term priorities, developing a new business plan for the CDD, etc.

F. Discussion: Process/Procedure for Opening Locked Courts During Holidays

- **Evaluation of Play (i.e., weather conditions)**
- **Protection of Community Assets**
- **Controls of Unauthorized Users**

Discussion ensued regarding leaving certain amenities unlocked on the holidays approved at the last meeting, the times that the amenities would remain unlocked, protection of the communities assets, potential vandalism or nuisance activities if certain amenities are left open overnight, designating someone to lock and unlock the courts on those days, how to enforce use by only authorized users and how to handle guests and guest registration, liability concerns if something happens at an unattended amenity, inclement weather, posting "Unattended - Play at Your Own Risk" type signage and notifying residents of the details.

On MOTION by Supervisor Lawrence and seconded by Supervisor Foley, with Supervisors Lawrence, Foley, Smith and Davidson all in favor and Supervisor Gaeta dissenting, authorizing Supervisor Foley and Ms. Kathleen Fuss to work with the Operations Manager and sign out the keys for the holidays specified at the prior meeting, to be returned the next day, was approved. [Motion passed 4-1]

G. Discussion: Survey Results

Supervisor Gaeta presented a new version of the survey results and discussed the findings and noted that, in addition to the majority of respondents who said they would not use any of the amenities on the specified holidays, a large portion of those that said they might use the amenities indicated that they would only use the pools, fitness centers or playgrounds but, as determined at the last meeting, the pools and fitness centers would not be opened, therefore, the actual number of respondents that want to and would be able to use the amenities, if left unlocked, was much smaller. She voiced her opinion that the decision to unlock some of the amenities on those holidays did not reflect the will of the majority of the residents and was not to the benefit of all residents.

Mr. Clark discussed sovereign immunity, liability, protections for Board Members in making policy decisions, etc.

FOURTH ORDER OF BUSINESS

NEXT MEETING DATE

- **December 5, 2019 at 10:00 A.M., Regular Meeting**
 - **QUORUM CHECK**

Supervisors Davidson, Gaeta, Lawrence and Foley confirmed their attendance at the December 5, 2019 meeting. Supervisor Smith would not attend.

FIFTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

Discussion ensued regarding the status of the Landscape and Security RFPs, evaluations/inspections of several ponds, condition of some ponds and treatment results.

SIXTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

SEVENTH ORDER OF BUSINESS

ADJOURNMENT

There being no further business to discuss, the meeting adjourned.

On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, with all in favor, the meeting adjourned at 2:04 p.m.

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Secretary/Assistant Secretary

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Chair/Vice Chair