

TURNBULL CREEK  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Turnbull Creek Community Development District was held Tuesday, August 30, 2016 at 6:00 p.m. at the Renaissance Hotel, 500 S. Legacy Trail, St. Augustine, Florida.

Present and constituting a quorum were:

|                       |                  |
|-----------------------|------------------|
| Aage G. Schroder, III | Chairman         |
| Kathleen Venezia      | Vice Chairperson |
| Joseph Quinto         | Supervisor       |
| Brian J. Wing         | Supervisor       |
| Chuck Labanowski      | Supervisor       |

Also Present were:

|                   |                              |
|-------------------|------------------------------|
| Dave deNagy       | District Manager             |
| Mike Eckert       | District Counsel             |
| Clark Gates       | Hopping Green & Sams         |
| Mike Yuro         | District Engineer            |
| Mark Insel        | Vesta/Amenity Services Group |
| Jeff Branch       | Vesta/Amenity Services Group |
| Dan Fagen         | Vesta/Amenity Services Group |
| Lourens Erasmus   | Vesta/Amenity Services Group |
| Michael Johnson   | Duval Landscape Maintenance  |
| Brian Moore       | Duval Landscape Maintenance  |
| Several Residents |                              |

The following is a summary of the actions taken at the August 30, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. deNagy called the meeting to order at 6:00 p.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Ms. Knowles stated there was pond work on Porta Rosa, I'm on a corner lot and they used my yard to park all of their equipment. The four corners of the lawns were replaced and mine was patched with a broken sprinkler. I do have pictures that I can provide to you. This has

been going on since April. I have been in touch with Chuck for about six months now. I also have an estimate to have it fixed properly.

Mr. Labanowski stated the issue was mainly the broken sprinkler, which was caused by Comcast. The areas that were torn up were areas where pipes or something was laid on it and the forklift dug it up and those spots were replaced. Unfortunately, the area couldn't be irrigated because of the broken sprinkler by Comcast. That took several months going back and forth between AT&T and Comcast. Comcast finally repaired it and they replaced sod that was there.

Mr. Eckert stated what I might suggest is that we follow-up with the resident after this because we have had pond bank work, Comcast was in there and we have an agreement with Comcast on some other issues that we might be able to get a resolution. I think to the extent that I understand the pond bank contract was a restoration contract so if it was caused by pond bank workers it should be restored to where it was before they started using that strip. To the extent it was caused by Comcast that is something we try to help the resident out on and speak to Comcast about that issue. I suggest that Dave, Chuck and Ms. Knowles keep working on this issue and try to get it resolved. It is not a huge amount of money and we appreciate the residents letting the trucks park there while we worked through that.

Mr. deNagy stated if you will give me your email address I will be in touch with you tomorrow.

**THIRD ORDER OF BUSINESS**

**Affidavit of Publication**

A copy of the affidavit of publication of the public hearing was included in the agenda package.

**FOURTH ORDER OF BUSINESS**

**Staff Reports (Part 1)**

**A. Engineer**

Mr. Schroder stated I want to share with the audience and other board members that I met with Mr. Yuro and talked about issues and one of the things that Mike and I agreed to do is walk and look at some of the issues that we have been dealing with, some of the ongoing issues that are on our list and need to be prioritized. One of the things I suggested is that after a nice rain we walk the area. I'm looking forward to that so we can get his thoughts on moving forward on some of the repairs.

**B. Landscape Manager**

Mr. Johnson gave an overview of the maintenance activities during the past month.

**FIFTH ORDER OF BUSINESS**

**Public Hearing to Adopt Fiscal Year 2017  
Budget**

On MOTION by Mr. Wing seconded by Ms. Venezia with all in favor the public hearing was opened.

Mr. deNagy stated you have a copy of the budget in the agenda package and I prepared a budget summary for tonight's meeting that outlines the significant changes. The budget in the agenda package is the budget we approved two months ago, there have been no changes in the interim. On administrative expenses we are looking at an overall reduction of \$1,389, amenity center expenses we are looking at an increase of \$63,640 and grounds maintenance expenses we are looking at an increase of \$31,107. The overall increase is \$93,358 and that equates to an increase in the O&M portion of the assessments of \$120.20 or about \$10 per month.

Mr. Wing stated I don't think we have heard if the Comcast agreement has been approved in which case that would cover telephone, internet and television service at the amenity center. If that is in effect you can take those items out of this budget.

Mr. Gates stated that the Comcast agreement has been executed by all parties and the services should have started. I think Dave reached out to them to see if there was anything we needed to do on our end. My understanding is we should start receiving the services included in the agreement for the amenity center and revenue payments should start coming in October 1<sup>st</sup>.

Mr. Eckert stated it is a quarterly payment schedule if I recall correctly and we should start getting those in.

Mr. deNagy stated I'm not sure when that is effective but it may be at the same time as the revenue starts coming in and we can make that change to the budget.

Mr. Quinto asked where do the revenues go, into the capital reserves?

Mr. Eckert stated they will come into the general fund and you will vote on where to allocate those revenues.

Mr. deNagy stated for the amenity center expenses the increase is \$63,640, \$50,681 of that is related to changes in the ASG contract which is mostly related to facility monitor, an increase of \$18,900 as well as facility maintenance, an increase of \$24,000. There are smaller changes to other services that ASG provides. The other change in amenity center expenses has to do with repairs and maintenance which increased that budget by \$15,610. We talked about our aging infrastructure and we have had numerous maintenance issues and we are proposing an increase in our repairs and maintenance budget.

Mr. Labanowski stated since pressure washing is going to be done in-house that can be taken off and that is \$4,000. Back to the internet and TV, you need to notify who we have now and have that removed as well as Comcast. The sooner we can do that the sooner we can start saving a little bit of money.

Mr. Eckert stated I agree and the changeover should occur as soon as possible.

Mr. Labanowski stated also on the special events we can take that back down to \$11,000 because we had \$15,000 last year that the HOA gave us.

Mr. deNagy stated let me make those changes and tell you what the impact is going to be. I will remove pressure washing, telephone, internet, cable with Direct TV and move special events from \$15,000 to \$11,000. That nets to an increase of \$106.55 rather than the \$120.20.

Also keep in mind that we did have a reduction in the debt portion of the CDD assessment.

Mr. Eckert stated the debt assessments on most of the land were refinanced last year and the remaining two pieces of land within the district were refinanced this year.

Mr. Wing stated if we are not increasing special events and may be taking money away, I don't understand how that is a 48% increase.

Mr. Fagen stated oftentimes the program director not only manages and creates the events, etc., but they also go out there securing sponsors to help extend the initial investment on the district's behalf. Having someone be able to pursue sponsorships helps extend that budget as well.

Mr. Wing stated facility monitor that particular line item is a 100% increase, the facility maintenance is a 100% increase, program director a 48% increase. I fully understand the community is completely built out now, there is a lot more usage of the facilities, but I still

cannot justify a 100% increase nor a 48% increase. I would like to see that reduced at least for this year's budget and see how we do next year.

Mr. Eckert stated before we get into the questions, it might help if Dan explains the budget change. I think there is a manpower change proposed that is within this board's discretion whether to accept or not, but I think you need to understand the nature of what is being proposed before we get into too many questions.

Mr. Fagen stated the facility and community are aging so you are going on 11 years and as any homeowner knows as it ages you have to put more money into it. Not only more money as far as equipment, materials and repairs, but also manpower and that is what we are discussing. To that point, as far as investing in the manpower to get the job done that 100% increase you see is going from \$24,000 to \$48,000. That basically takes our additional maintenance man in addition to Lourens who is over field operations. Lourens is primarily overseeing large contracts, landscapers, pond providers, etc., he also gets his hands dirty repairing light fixtures and pool pumps and everything else and has saved us over the last 16 months almost \$35,000. This is increasing his staff of a 20 hour individual to a 40 hour individual. That is a 100% increase and that allows Lourens and our entire team to address issues such as vandalism, which has been going on for quite some time and continues to increase. It is maintaining all the district paths not only the amenity center itself but all the entry monuments and everything else that is an asset of the district. It is basically a matter of pay me now or pay me later not exactly us but it is a matter of maintaining those assets and it takes manpower to maintain those. That is an additional 20 hours a week taking our part time guy from 20 to 40 hours. That is the facility maintenance line item and why it has increased.

Mr. Wing stated I understand we have had this conversation before I still think it would make more sense for us to do half and reassess next year. Perhaps another increase will be warranted but not 100% at this time.

Mr. Labanowski asked you are saying you saved \$35,000 over the past six months?

Mr. Fagen stated correct.

Mr. Labanowski stated you could work it out that what has been saved by work being done internally rather than contracting it out more than pays for the individual you are putting in there.

Mr. Fagen stated correct, and I believe we have gone over this in past meetings but just to quantify the savings on things that typically we could subcontract out if we don't have the manpower to do it Lourens and a part time man and with a little bit of help from Jeff has been able to attain quite a savings to the district. To your point, that is to be expected and whether it is quantifiable savings or not it is like risk aversion, you are maintaining it instead of having to repair it on the backside.

Mr. Labanowski stated instead of contracting out to have a building painted we could almost do that internally.

Mr. Fagen stated correct, which we did as far as sign posts and a handful of things. You are saving and also you would be taking it from the maintenance line item of materials and equipment and applying that to labor.

Mr. Schroder asked can you give an explanation for the facility monitor as far as hours?

Mr. Fagen stated I can give you some history as well. As most of you know from around the amenity center Mark is pretty much a one-man show. He is interfacing with primarily residents, which are most important, but also with his staff, with district staff, with board members and with prospective homeowners as well. It is a beautiful facility but having someone up here to interact with a prospective homebuyer is definitely helpful to make that connection. He is having all of that interaction plus he is dealing with everything from non-resident usage at the facility or out in the field. If there is a janitorial issue that he needs to address quickly he is away from the desk so if someone wants to rent a room or something they have to wait. If he is going on the pool deck to address an issue the same thing happens. He is basically alone with the exception of on the weekends we have some staff and we also have some staff there called a field monitor, which they oversee the facility, the pool, pool deck, fields, etc. They are roaming but they also help out in the facility and the office as well. There is a distinction in roles as far as field monitor and facility attendant but it is basically all the same in regards to our end result. It doesn't matter what you clocked in under or what your title is you are going to get the job done if it is kicking people off the field or cleaning up a mess in the toilet.

Our fees have been steady since 2014 and to your point Mr. Wing as far as the increases are concerned, since 2014 we have maintained a heavily discounted rate for that field monitor. In fact, due to a miscalculation, we have extended quite a discount in regards to our base rate, which was basically reduced by 25%. We are not looking to recoup anything we are trying to

bring our base rate up to a normal fee. Typically, it would have been instead of \$18,600 we just brought it to our base rate no increase and it would have been at \$27,000 but we have absorbed that difference, \$9,000 over the past three years acknowledging that because we are in a discounted multi-year agreement. We are not going to come back to the board and ask for an increase just due to a miscalculation. That is reality and moving forward we are requesting additional hours, 2 man hours a day to help and maintain or oversee the facility, helping Mark out but also keeping down the non-resident usage in the fields, etc. Mark reported that during the last six months non-resident usage has spiked, they are kicking 15 to 20 people a week off the fields. Some people drive by and see an open field and feel that they pay their taxes and they are going in and that is not necessarily the case. It takes some bodies to enforce that and no amount of signs or anything else would keep that from happening. It is basically a level of service to those that we serve on a daily basis as well as enforcement within the amenity center and its perimeter.

Mr. Schroder asked two hours a day, six days a week?

Mr. Fagen stated seven days a week, Mondays as well. Mondays are crucial because you have limited staff and kids, etc. and we have seen an increase in attendance, which is great and we want to maintain it and we want them and prospective homebuyers to have a good experience and that takes manpower. Through May of this year we saw a 60% increase in users.

Mr. Wing stated you said you are in a multi-year agreement.

Mr. Fagen stated correct, from 2014 to 2016.

Mr. Wing stated so that agreement ends this year.

Mr. Fagen stated correct.

Mr. Wing asked is this something we need to send out at some point?

Mr. deNagy stated once we get the budget set.

Mr. Wing stated it is at an end it is not a multi-year.

Mr. Eckert stated right now, if I remember correctly, we did a three year bid on this one and there probably is a provision for extension or we would have to relook at the scope and you need to tell us whatever changes we made over the last two or three years you would like to incorporate into a new contract to make it cleaner.

Mr. Wing stated we could be looking at putting out an RFP this year.

Mr. Eckert stated if that is the desire of the board you could. This is not required to be bid but it is whatever your preference is.

Mr. Wing asked Dave will you run these numbers and see what that does to the assessment?

Mr. deNagy stated it would be an \$81.37 increase a year.

Mr. Wing stated that would reduce it by another \$25.00.

Mr. deNagy stated just for reference the debt portion if you want to add in the reduction in the debt assessment for the people in the Series 2005 Bond, which represents 740 residents you would take another \$32 off that per year.

Mr. Wing stated the bonds that covered the infrastructure to me are not necessarily tied to this at all, they are two separate entities, operating versus bonds. We did get a reduction in the bonds because we got a more favorable rate. We utilized some of that money for pond bank repair, some of the bonds that are less now we may use some new money off of that to do additional pond repairs. I'm looking at the operating budget alone the last four years the increases have been 22.6% and 5.6% per year. This year it is 11.4% and I have given you my suggestions for those three items.

Ms. Venezia asked for the facility monitor for the two hours a day seven days a week, what does the hourly rate come down to?

Mr. Fagen stated the hourly rate was heavily discounted and the billing rate is \$15 per hour and maintenance is a little more technical so the rate is different.

Mr. Quinto stated on the lifeguards went up \$2,000. Did we have an increase in attendance in the pool because it doesn't seem that crowded?

Mr. Fagen stated considerably.

Mr. Schroder asked what is the program director increased by?

Mr. Fagen stated 50% and that individual averaging 5 to 8 hours a week, that individual comes in once a week, works in the office or from home dealing with vendors, etc. Basically 30 hours a month instead of 20. They are planning, programming, event primarily although they do activities as well. Often that individual updates websites, social media, it depends on the interests of the community and that role can be pretty broad and that is primarily for events, activities programming, that type of thing.

Mr. Schroder asked what does this do to your staff? We are talking about another 2 hours a day, but we were talking about going from half time to full time, is that person working part time on other properties? If it goes to 40 hours it would be exclusive to Turnbull.

Mr. Fagen stated correct. Currently that individual is working between two properties, which works for us and the benefit of working with ASG is we can retain good people and redeploy them elsewhere so we can keep them. That individual would go from 20 to 40 or 20 to 30. It would be our preference to keep one person on deck and with 40 hours that would give us the ability to do that. That is helpful with Jeff and Lourens having Jeff's history, he knows the place and there are efficiencies when you have existing staff for a long period of time. Having some continuity in staff is very helpful.

Mr. Schroder asked if you went to 30 hours, as Mr. Wing suggests, then that person would be at 10 hours and it would probably affect your ability to manage those people? Although that is not our concern, I would like to hear what you have to say.

Mr. Fagen stated we would figure it out. I think something is better than nothing and in our opinion it needs 40 hours to maintain it but 30 would be an improvement. To Mr. Wing's point if 30 doesn't quite get us there then we will have this discussion next year. Something we can also discuss on a monthly basis is we could have done X, Y, Z but we had to vend it out and we were short on man hours where we come back and say this is an ongoing issue whether it is addressed there or next year that is something to revisit.

Mr. Schroder stated I know the nature of the work is not steady you will come in one day and there will be a crisis and then you are dealing with that.

Mr. Fagen stated as Jeff said things don't break on schedule as we can attest on July 2<sup>nd</sup> when we lost 3 feet of water.

Mr. Schroder stated we might want to consider going halfway this year and monitoring but that would be up to the board.

Mr. deNagy stated if there are no more questions on the amenity center we will move to grounds maintenance and when we are finished we will open it up for audience questions.

Grounds maintenance expenses just a couple of areas, landscape contingency we are increasing \$18,155 primarily for tree mitigation that we have done the past couple of years and we are increasing our capital reserve budget by \$13,387 per the reserve study.

Mr. Clabots stated I looked at some line items before coming to the meeting, repairs and maintenance, facility maintenance, facility monitor, roughly a \$57,000 increase. As Brian said maybe some of this can be reduced by half. As I listened to the explanations, they were general and rather broad and I may not mind a \$57,000 overall budget increase of which I pay a small amount per month, but I want to know what I'm getting for it. To say that I increased hours that will help us how does each resident see what they get for that? When you talk about landscape contingency and replacing those pine trees residents can see diseased pine trees being replaced. But when you talk about hours and increased expenses tell them what they get for it, not I have more man hours to do something. What do those man hours generate and I haven't heard that. From my perspective as a budget manager that is what I asked staff or managers to do, tell me what I get for it. If you can't tell me what I get for it then you don't get increased. I don't know whether reducing it by half makes any sense, I don't know by reducing it by half is a shortfall because this is an older community you can see that it needs more ongoing maintenance. Please be more specific. What do we get for that?

Mr. DeBene stated I think 50% across the board would be a good way to go about it. I think the guys at ASG do a good job and I think meeting halfway would be a good way to go about it. Under grounds maintenance miscellaneous it goes from \$3,500 to \$8,500.

Mr. deNagy stated we are actually removing maintenance reserves and dropping that down \$2,000 in amenity center and reducing \$5,000 from contingency and ground maintenance and putting that in one.

Mr. Simmons stated I know these guys have a very difficult job. My issue is how much money you spend on the perimeter and I don't know that it is justifiable. You have 10 kids out there who don't live here but we have to document that. We have to get better in terms of justifying the increase you are asking for. Some of that activity is seasonal so maybe the answer is in the summer you need the increase because there is more activity. But we have to find out what that percentage is and maybe that is the amount of money you add to the budget because it may not be across the board.

Mr. Springston stated when I'm at the pool during the day now there may be 5 or 6 people in the pool in the summer on the weekends there are a lot more. You are talking about increasing the hours to 40 a week I think they need to be set seasonally. We are not going to be irrigating or cutting the grass as much in the summer when there is a lot of rain everything grows

and you have a lot more maintenance. In the summer the pool is packed or if we have a special event the pool is packed. We are getting in the slow time right now and you still have to put chemicals in the pool and clean it, the bathrooms have to be maintained but you have less people using it. At certain times we need more people and other times we don't.

Mr. Abush stated I think Duval Landscaping is doing a much better job and they are taking care of the pond banks and cutting them properly. I also think Mr. Wing's proposal is very practical and I also think that is a step-wise way to approach any problem with an aging infrastructure is to do the things that are most important have a priority list and work through those things logically so that the community is kept to a level we all expect.

Ms. Nelson asked who is that actually does the budget? Is that you?

Mr. deNagy stated yes.

Ms. Nelson stated I totally agree with your assessment of everything, you start off small and go from there. I know there has been an increase in the pool usage. How do we know that it has increased to 60%, where does that number come from?

Mr. deNagy stated the input and data come from ASG they are the ones that monitor the amenities.

Ms. Nelson stated I was curious because I see no one signing in regularly. There are so many people from the outside coming in and there are visitors and they don't mark how many people are coming in. I check out the sheet occasionally and you will see 10 people coming in and they will sign in 2. It is greater than a 60% increase, it is probably more like a 100% increase. I think ASG does a good job and Duval Landscape is doing a much better job.

Mr. Carey stated I have been here nine years and this is the biggest increase I have seen. I don't see why we need to have the increase. We added more homes and the volume going up versus what we are increasing I don't know if you guys got a 100% pay increase or what it is a little excessive. We need to go back and see where we can trim it back. As far as people getting in, we need to figure out a better security system than having them sign-in.

A resident stated I am a local realtor in the Murabella Plaza and everyone comes in looking at Murabella but as soon as we say the CDD keeps going up, there is a reason 45 homes are sitting in our neighborhood while other places are selling for less. People asked what do I get for this price and we say there is an amenity center. If you don't have kids it is hard to justify the

amenity center. Our landscaping is getting better but for the longest time people drove around and say it needs work and what is this fee covering. We need to be conservative.

A resident stated I would like to see it go out to bid and I would also like to know who scheduled this meeting on election day, which is a poor choice.

Mr. deNagy asked are there any other questions from the board?

Mr. Schroder asked how do we proceed? We have two resolutions then we adopt the budget?

Mr. Eckert stated you need to agree on what numbers need to be in the budget first.

Mr. deNagy stated let me recap that for everybody. Under amenity center pressure washing we removed \$4,000 and we removed telephone, internet and cable and that was \$2,840 and \$1,464. We reduced special events from \$15,000 to \$11,000 and Mr. Wing had changes to that same section with the special events the facility monitors reduced to \$27,900, facility maintenance dropped down to \$36,000, program director dropped down to \$4,400. The bottom line is the annual O&M assessment would be increased \$81.37 that is a 7.8% increase.

Ms. Venezia stated I do not agree with the reduction in facility maintenance. If we were to contract out any one of the items that we have had repaired it would cost more to contract it out and have a subcontractor do it for us. I'm in favor of keeping the facility maintenance. I don't have an issue with the other items because I understand what they go through and even though now we have less people possibly using the pool we do have more kids utilizing the field, which makes another issue. We go from pool to field depending on the season. I don't have an issue with those. I strongly disagree with decreasing facility maintenance.

Mr. deNagy stated let me make that change and I will let you know what that does to the assessments. We bumped that back up to \$48,000 and the annual increase would be \$94.68 an overall increase of 9%.

Ms. Venezia stated if we didn't make a change to the other items it is another \$10 per month. We are talking about \$10 per month to have this place fully staffed, fully serviced for 1,800 registered voters. I don't see that as a major increase.

Mr. Wing stated I suggest we have the board to vote on each one of these items to make that change.

Mr. Eckert stated you can have a motion on each item because someone may support a different amount for a different item. There are probably seven or eight items we are talking about here.

On MOTION by Mr. Labanowski seconded by Mr. Quinto with all in favor the pressure washing will go from \$4,000 to zero.

On MOTION by Ms. Venezia seconded by Mr. Labanowski with all in favor the telephone cost went from \$2,840 to zero.

On MOTION by Mr. Quinto seconded by Mr. Labanowski with all in favor the cable went from \$1,464 to zero.

On MOTION by Mr. Wing seconded by Mr. Labanowski with four in favor and Ms. Venezia voting no the facility monitor will be reduced to \$27,900.

Mr. Wing moved to decrease the facility maintenance from \$48,000 to \$36,000 and Mr. Quinto seconded the motion and with two in favor and Mr. Labanowski, Mr. Schroder and Ms. Venezia voting no the motion failed.

On MOTION by Ms. Venezia seconded by Mr. Labanowski with four in favor and Mr. Wing voting no the facility maintenance was increased to \$48,000.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with four in favor and Mr. Wing voting no, the special events was reduced from \$15,000 to \$11,000.

Mr. Wing moved to decrease the program director from \$5,500 to \$4,400 and there being no second the motion died for lack of a second.

Mr. deNagy stated we are changing pressure washing to zero, telephone and internet to zero, cable to zero, facility monitor to \$27,900, facility maintenance to \$48,000, special events to \$11,000 and program director at \$5,500 and that is an annual increase of \$95.90.

Mr. Schroder stated I would like to thank you for coming and speaking up and I think we listened and I want to thank Mr. deNagy for providing the capability for us to work the budget numbers as we discussed. I think that was very helpful for us to do that.

Ms. Sacks stated I look around and see out of 900 families not a lot. We pay for this room, how much do you pay to rent it tonight?

Mr. deNagy stated it was \$600.

Ms. Sacks asked why couldn't we have this in our amenity center? Has any CDD meeting that more attended been in a room like this and cost \$600?

Mr. deNagy stated yes, we talked about that and the reason we are holding it here is because of the proposed increase of \$120 we felt there would be a large turnout. There was a mailed notice sent to all residents. It is hard to judge what kind of turnout we are going to get.

Mr. Eckert stated I understand your comment and just so you understand the legal advice I gave to them as the law says that you are supposed to size the meeting location for your anticipated crowd. We were anticipating more people than we got but if we had known exactly how many people were coming 30 days ago then we could have had it at the amenity center. I know there have been other board meetings at the amenity center where we had capacity issues from time to time and this was the conservative thing to do but, seeing what we have here today, next year the amenity center I think will work.

Mr. Simmons stated we always talk about the maintenance and operations and so on. How come we never address improvements? Is there any way we can address that in the budget. I never hear about improvements from the board or anyone.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor the public hearing was closed.

**A. Consideration of Resolution 2016-13 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2017**

Mr. deNagy stated Resolution 2016-13 adopts the budget as we just went through it and the annual increase is \$95.90.

On MOTION by Ms. Venezia seconded by Mr. Quinto with four in favor and Mr. Wing voting no Resolution 2016-13 was approved.

**B. Consideration of Resolution 2016-14 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2017**

Mr. deNagy stated Resolution 2016-14 imposes the special assessments based on the budget just adopted and certifying the assessment roll for collection for fiscal year 2017.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with four in favor and Mr. Wing voting no Resolution 2016-14 was approved.

**SIXTH ORDER OF BUSINESS**

**Consideration of Work Authorization No. 1 with Yuro & Associates, LLC**

Mr. Gates stated at the last meeting the board approved Mr. Yuro’s rates and gave the chairman the authority to execute the agreement and that has been executed. Before you is work authorization no. 1 and this authorizes him to come to the meetings, participate, and prepare the necessary reports as required. This starts the whole process off and that is what is before you today.

On MOTION by Ms. Venezia seconded by Mr. Quinto with all in favor work authorization no. 1 with Yuro & Associates, LLC was approved.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Having England, Thims & Miller Complete Final Inspection of Pond Bank Work**

Mr. deNagy stated item seven is consideration of having ETM complete the final inspection of the pond bank work. There is an outline of what remains to be done on the pond banks.

Mr. Schroder stated I would like to ask the engineer if he has any issues with taking over those inspections. That is an option we have.

Mr. Eckert stated right now you have under contract Mike Yuro’s group to be your district engineer. We have not issued the final termination letter with a termination date to ETM because we were waiting for the board to make this decision today. If you are comfortable with Mr. Yuro’s firm doing the warranty inspections, the board can vote on that tonight and we will go ahead and finalize the termination of ETM. If you want ETM to stay under contract to

perform these warranty inspections, we would hold off on finalizing that termination. It is up to the board to decide what is in the best interests of the district.

Mr. Wing asked do we have a cost from ETM?

Mr. deNagy stated no.

Ms. Venezia asked if that would have been included in their initial fee or if that would be an additional cost?

Mr. Eckert stated I don't believe we have paid for the warranty inspections yet. I would have to look at their hourly rate sheet to see if they included that in their lump sum fee or their not to exceed fee. I don't think we paid for that yet and I think you will be getting a bill for that if ETM does that work.

Mr. Labanowski stated the small pond under Phase 1 has had its final inspection. There should be a cost associated with that right now. Also, the work on Phase 5 has not been completed. There are things that need to be done over there.

Mr. Schroder stated until recently I was leaning toward letting ETM finish the inspections, but some things have surfaced recently and brought to my attention and maybe other members of the board as well and I'm inclined at this point to turn it over and get new eyes on it. There are things that were really not done the way they should have been and the contractor was not held to constructing in accordance with the plans and specs.

Mr. Eckert stated this is the first time I'm hearing of any of what you are bringing up right now so that raises a different issue. Can you let us know what the defects are that you are talking about because that is not something I'm familiar with?

Mr. Labanowski stated right now they have not finished Phase 5. We still have exposed dirt with no sod on it. There are areas that have not been checked and ETM was notified and as far as I know they have not gone out there.

Mr. Quinto asked don't we have a warranty on this work?

Mr. Eckert stated we do have a warranty and that is the inspections we are talking about at the end of the one year period after the board accepts the work, we want to have an inspection before that warranty expires and make sure Besch & Smith is coming back to do that work. I'm hearing Phase 5 isn't done yet.

Mr. Labanowski stated there are a couple of other areas that were going to be brought up during the inspection, which should have already been completed because after tomorrow it is

past one year. The inspection should have been done in August. They are saying October but the work was done in August, when Besch & Smith stopped working on Phase 5.

Mr. Eckert stated this is the first time I'm hearing there are concerns with the work that was done by Besch & Smith. I need to get on the phone with Preston and Chuck and try to figure out specifically what we are talking about. We are probably going to have to meet again fairly soon to deal with some year-end contract issues and will be able to bring that before the board in terms of who you want to do the warranty inspections. In the meantime, if there are any inspections that need to be done between now and the next time we can meet, who do you want to do those inspections?

Mr. Wing stated I have no interest in having ETM doing final inspections because they have no responsibility in this.

Mr. Eckert stated it is certainly within your discretion to do that if you want to.

Mr. Schroder stated I think I would like to have Yuro do it as well. A couple items I have seen recently when I looked at a situation at the request of one of the homeowners, the rip rap around the outfall from another drain was not installed properly and huge volumes of material washed into the pond. I'm talking about a hundred cubic yards of material has washed in there. At that time, the water depth was 30 to 40 feet and was very shallow. The contractor said he would move that material but then changed his mind and they were never held to removing that material. It is a problem and the material needs to be removed from that pond. It is a huge problem and will result in vegetation growing in the shallow areas. I realize the water has been low due to lack of rain, but three days ago there were places 20 to 30 feet from the edge of the pond where the water was very shallow. It is very obvious that it was the material brought in to rebuild the pond bank.

Mr. Eckert asked are you saying that is new material that slid into the pond?

Mr. Schroder stated yes, and it was never removed and the contractor came back in and it slid in and washed out and eroded due to rainfall event. Then new material was brought in to rebuild the pond bank and that material then washed into the pond and was never removed.

Mr. Labanowski stated I was over there several times when it washed out and a lot of the material had washed out. They had to bring a lot more material in and at that time the water level was high and I wonder if the water was so high they couldn't do anything or it didn't look like it needed to be done at that time. There is definitely an issue now. Some of the material

needs to be removed or spread throughout the pond and the engineer could say if it was feasible to do it that way or totally remove it. If we totally remove it, we are looking at additional cost to gain access to that area because it is in the corner.

Mr. Eckert asked is there anybody here that wants to have ETM do the warranty inspections moving forward?

Mr. Quinto stated I wouldn't want them to have the inspection, but I don't want to pay Mr. Yuro for their problem. They can do the inspection but not fixing the problem.

Mr. Schroder stated the problem will be fixed by the contractor.

Mr. Eckert stated there are so many new issues you are raising at the table right now that we can't put responsibility on anybody until we look at the contract.

Mr. Quinto stated let's go for the inspection. Are we in favor of Mr. Yuro inspecting it?

Mr. Labanowski asked how fast can the engineer get up to speed with this contractor?

Mr. Yuro stated I'm ready to review it. I have a big file and CADD file and so forth but I would like to spend some time with you as I believe you have been the most involved. I would like to have a sit down with you to hear what some of the specific concerns are and I can do that as early as next week. I have no concerns about doing inspections. I'm happy to do that.

Mr. Schroder stated I think Supervisor Labanowski's concern is the question about when the term was over. It clearly says October.

Mr. Labanowski stated the work stopped way before that. Once that small pond is inspected the following month we were supposed to inspect the rest of the ponds other than the Phase 5 area and it never happened.

Mr. Eckert stated there was a specific date of acceptance because each one of these phases were brought before the board and the board either accepted them at that point in time or authorized them to be accepted and signed off on by another board member once certain things were done. Those dates of acceptance are the dates from which the warranty flows from and those are the dates that we have to go with. The fact that they stopped work on a pond isn't necessarily when that period begins it is when we accepted them.

Mr. Labanowski asked can you possibly confirm these dates with ETM?

Mr. deNagy stated I can.

Mr. Eckert asked for purposes of doing that inspection do you want Mr. Yuro to bring back a proposal at your next meeting or do you want him to work under work authorization no. 1, which is his standard hourly rate schedule?

Mr. Schroder stated do that if we can do that.

Mr. Eckert stated we can do that. Mr. Yuro can go ahead and include that within no. 1 and we need to pin down the warranty dates because I don't quite understand the discrepancy there. If there are problems, we need to look at what the problems are, the scope of the contract and if the board is talking about different water levels and what revealed what, we have to look at that issue. I suggest we have Mr. Yuro get started on the inspections and everything. I'm not going to terminate the ETM agreement unless you want me to before we get to our next meeting because there may be some questions and answers that Mike has or that I have where we need to get ETM's input and help on. ETM is on an hourly rate and we probably will have to ask them some questions during the transition of knowledge from one engineer to another.

#### **EIGHTH ORDER OF BUSINESS**

#### **Consideration of Audit Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2016**

Mr. deNagy stated next is consideration of the audit engagement letter with Grau & Associates to perform the fiscal year 2016 audit. The fee for that service is \$4,300 and we talked about that in our budget discussion that increased a little bit because of the new bond issues.

On MOTION by Mr. Wing seconded by Mr. Quinto with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2016 audit in the amount of \$4,300 was approved.

#### **NINTH ORDER OF BUSINESS**

#### **Discussion of Next Phase Pond Bank Work**

Mr. deNagy stated this is an open item for the board and Mr. Yuro to talk about where we are going with our pond bank work now.

Mr. Wing asked is this to look at additional work and if there isn't anything pressing I suggest we postpone this until the September meeting.

Mr. Schroder stated we have met with Mr. Yuro and we talked a little bit about this and he understands that we obviously can't fix them all at one time and he needs to identify them and prioritize them so we can deal with them. I will wait until the next meeting, but I think we need

to begin that work fairly soon so we can develop that plan. Several of us, if you will recall, went out and walked the ponds ourselves to see if there were ponds that were good enough and didn't need to have the engineer or geotechnical engineer walking those ponds. We have narrowed it down to a few ponds, but there still needs to be considerable work in walking the ponds and identifying those areas of concern. Aesthetics is one thing but the more important priority is whether or not they can be mowed safely. I don't have a problem waiting a month, but we don't need to continue to put this off. It is one of those things we need to identify and get moving and as we learned the first time, timing is important.

Mr. deNagy stated our next meeting is two weeks away.

Mr. Labanowski stated we did a survey in November of last year and I know for a fact that Lourens has gone out and placed a number of bales out there and additional bales in the areas where the erosion is getting worse. I don't want to keep putting this off because we did that this last time and the more we put off the more bank failures we had. I would much rather jump on it as soon as possible to possibly stem major issues down the road.

Mr. deNagy stated we will bring this back to the September 13<sup>th</sup> meeting.

## **TENTH ORDER OF BUSINESS**

### **Staff Reports (Part 2)**

#### **A. Attorney**

There being none, the next item followed.

#### **B. Manager**

There being none, the next item followed.

#### **C. Operation Manager (ASG)**

- 1. Pictorial Maintenance Report**
- 2. Vandalism Report**
- 3. Community Maintenance & Projects Report**
- 4. Consideration of Proposals**

Ms. Venezia asked would you put an estimated cost next to everything you repair on major things so in the future we can pinpoint and say if we outsourced this it would have cost \$20,000?

Mr. Lourens stated yes.

Mr. Lourens stated the first proposal is an HOA decision on the basketball courts but there are a couple we need to look at again. The mulch for the playgrounds, the Pescara playground and San Marino playground we need mulch in those places. They are low and I heard somebody got hurt on the concrete. I'm asking to revisit this so we can get this done. This is ADA approved mulch for playgrounds, it is special mulch.

Mr. deNagy stated we are recommending the San Marino and Pescara playgrounds mulch replacement, delivered and installed from Southern Rec for \$3,000. This is a capital item in our reserve study.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the proposal from Southern Rec to deliver and install mulch at the San Marino and Pescara playgrounds in the amount of \$3,000 was approved.

The proposals for the sand installation, slide, mail kiosk grading were postponed to the September meeting. Staff was directed to propose options to replace the Italian Cypress with another type of tree at a future meeting.

**D. Amenity Center Update - Report**

Mr. Insel reviewed the amenity center maintenance and highlighted items in his report.

**ELEVENTH ORDER OF BUSINESS                      Approval of Consent Agenda**

- A. Approval of the Minutes of the July 12, 2015 Meeting**
  
- B. Balance Sheet as of June 30, 2015 and Statement of Revenues & Expenditures for the Period Ending June 30, 2015**
  
- C. Month-by-Month Income Statement**
  
- D. Assessment Receipt Schedule**
  
- E. Approval of Check Register**

On MOTION by Mr. Labanowski seconded by Mr. Quinto with all in favor the consent agenda items were approved with an amendment to the minutes.

**TWELFTH ORDER OF BUSINESS                      Other Business**

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS            Supervisor's Requests and Audience Comments**

Mr. Labanowski stated I would like to see sometime in the future about extending the pool hours or night swimming. It may not be a bad idea to set some of the Comcast money aside for future improvements.

Mr. Schroder stated thank you for being here, we appreciate your input and I think you understand that the reason each of us is on the board of supervisors is we want to make sure we control the annual assessment and we get the right bang for our buck and we are always concerned about what impact it might have on our property values.

Ms. Venezia stated thank you all very much for showing up this evening.

Mr. DelBene stated you mentioned the HOA wanted another basketball court next to it. Can we do anything other than putting them side by side?

Mr. Labanowski stated that is what they asked for.

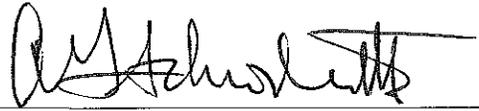
**FOURTEENTH ORDER OF BUSINESS            Next Scheduled Meeting – September 13, 2016 at 6:00 p.m. at the Murabella Amenity Center**

Mr. deNagy stated the next schedule meeting is September 13, 2016 at 6:00 p.m. at the amenity center.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor the meeting adjourned at 8:10 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman