

TURNBULL CREEK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Turnbull Creek Community Development District was held Tuesday, July 11, 2017 at 6:00 p.m. at the Murabella Amenity Center, 101 Positano Avenue, St. Augustine, Florida.

Present and constituting a quorum were:

Chuck Labanowski	Chairman
Brian J. Wing	Vice Chairman
Aage G. Schroder, III	Supervisor
Lee Clabots	Supervisor
Wil Simmons	Supervisor

Also Present were:

Dave deNagy	District Manager
Clark Gates	District Counsel (by telephone)
Mike Yuro	District Engineer
Mark Insel	Vesta/Amenity Services Group
Mat Krabill	Vesta/Amenity Services Group
Kathy Sargent	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Lourens Erasmus	Vesta/Amenity Services Group
Daniel Laughlin	GMS, LLC
Michael Johnson	Duval Landscape Maintenance
Dreux Isaac	Dreux Isaac & Associates (by telephone)
D.J. Muehlstedt	Dreux Isaac & Associates (by telephone)
13 residents	

The following is a summary of the discussions and actions taken at the July 11, 2017 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. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS**Consideration of 2017-2018 Reserve Study**

Mr. deNagy stated this item is a carryover from our last board meeting and Mr. Isaac and D.J. Muehlstedt of Dreux Isaac & Associates are on the phone to answer questions. I would like to refer you to the engineer's report for tonight, Mike Yuro had looked at the reserve study as well and had a couple of comments in his engineer's report. Mr. Isaac will give a brief overview of the reserve study then we will open it to the board for questions.

Mr. Isaac stated we conducted a first time reserve study in May you had a previous study done by another firm but this was our initial look at the property. D.J. Muehlstedt did the physical inspection of the property and worked up the component schedule. The process of developing the reserve schedule stem from a pre-inspection meeting, physical inspection, any previous data we were able to collect, and taking a look at the current physical condition of the components as well as establishing a component schedule. Using that information and our database of costs and life expectancy we worked up a schedule of assets we added in the reserve study report that we prepared dated June 5, 2017 for the 2017/18 budget year. We identified a total of 204 items and broke them down into seven categories and then components. Based on those components, their anticipated costs, useful life, and remaining life we projected two funding plans in the report. One is called the straight line plan or segregated funding plan and the other is the pooled cash flow plan. Both plans are based on the same components being done at the same time at the same cost. What is different about the two funding plans is the way the funding calculation is calculated, the straight line takes a look at single cycle replacement at current costs whereas the 30 year pooled plan looks out 30 years' factors in both interest and inflation. However, these components go through many replacement cycles during that 30 year period and then we calculate a funding contribution in order to meet that cash flow over the 30 years. We submitted a draft and D.J. has had conversations with some of the board members regarding general questions and I guess tonight is more of an open discussion on any other questions or comments you have. We are still looking at this as a draft until we get final remarks and any changes that need to go forward.

The following concerns and issues were discussed:

Concern with pond bank reserves being unrealistic – repair the worst areas now and discuss with Mike Yuro most practical future action and costs.

Questions were raised regarding the annual contribution that would increase during the pond bank restoration and a reasonable number to put in the budget.

The board did not decide how to fund the pond bank repairs beyond the most critical areas at this time or whether other work will be paid by issuing bonds or have it paid through the O&M budget.

Once the pond banks are corrected the district will not be dealing with the same situation.

Capital reserve study should be realistic approach to the budget, concrete plan to fund pond bank repairs capital reserve budget, operating budget, and how to deal with the issues identified by the district engineer. Once pond bank issues are dealt with – an appropriate amount to be assessed per year for capital reserve for banks.

The board wants to review how to hold homeowners responsible for damage to the pond banks if caused by their property.

Deal with short term improvements on pond banks.

\$15,000 to \$20,000 yearly for ongoing pond bank maintenance.

Recalculate report to add \$145,000 funding for critical pond bank repairs.

Mr. Isaac and Mr. Muehlstedt left the telephone conference at this time to recalculate the amount to be funded to the capital reserves and agreed to email the revised reserve study for the board to consider in conjunction with their discussion of the budget.

FOURTH ORDER OF BUSINESS

Discussion of Fiscal Year 2018 Budget

This item tabled until later in the meeting.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Landscape Manager

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

The proposal to oversee certain pond banks in the amount of \$3,550 was tabled in order to ascertain the cause of the problem and to have Duval identify the properties and provide a square footage price rather than the lump sum price.

B. Engineer

1. Engineer Report

A copy of the engineer's report was included in the agenda package.

On MOTION by Mr. Wing seconded by Mr. Clabots with all in favor the proposal from Vallencourt for pond bank repairs in the amount of \$178,800 was approved and staff authorized to prepare and have executed a small projects agreement to cover this work.

Mr. Yuro asked for my clarification do we want to go ahead and get the tennis court area repaired as soon as possible and hold off on the rest of it until later in the calendar year.

It was the consensus of the board to repair the tennis court area and to hold off on the rest of it until later in the calendar year after the assessments receipts come in.

Mr. Clabots asked on the tennis court can we look at something other than pristine grass along there that would stabilize the bank and experiment with that pond bank?

Mr. Yuro asked we can look into that.

2. Consulting Engineering Report

Mr. Yuro stated the engineer's report was required by July 1, 2017 for the series 2016 Bonds and I did complete that report before the 1st and got it into the agenda package. Other than the pond banks I didn't see anything from a civil engineering perspective that needed to be addressed.

On MOTION by Mr. Clabots seconded by Mr. Labanowski with all in favor the engineer's report was accepted.

3. Pond Banks

Mr. Yuro stated I have coordinated with the water management district. We do not need a permit to do this work because the district has an operations and maintenance permit which allows the district perform maintenance on the ponds. I told them I would give them a heads up when we start in the event a resident wants to file a complaint. The engineer at the water management district went out of his way to compliment the neighborhood about addressing the pond banks and said he uses this neighborhood as an example to other communities who are not maintaining their pond banks based on what you have done in the last couple of years.

Another issue you have with the ponds is erosion at the water level and I think it has a lot to do with the groundwater levels dropping several feet in the dry periods and when it rains it washes off the exposed dirt at the sod limit and causes a vertical drop. The water management district engineer asked me to point out that in his opinion he is seeing a lot of vegetation at the water's edge getting killed by chemicals that the pond maintenance companies use, which can also contribute to the loss of vegetation and erosion of the pond bank. I think he is trying to notify as many homeowner associations as possible to suggest that when you are maintaining your ponds to keep those chemicals away from the edge of the bank to help prevent that situation from happening so I told him I would pass that along.

4. Requisition No. 61

This item tabled until the next meeting.

C. Attorney

Mr. Gates stated Mr. Eckert sent an email to the board which is included in the agenda packet. I am able to answer any questions from the board.

D. Manager

Mr. deNagy stated as you know we approved running an ad for district counsel services and that ran on July 7th in the St. Augustine Record and is going to run in the Florida Bar publication on July 15th. We will have proposals back to you for our next board meeting.

E. Operation Manager (ASG)

1. Report

2. Presentation of Pool Resurfacing Proposals and Slide Refurbishment Proposal

Mr. Erasmus gave an overview of the operations report and outlined the pool resurfacing proposals that will be considered at the next meeting with work to take place in the December/January timeframe.

F. Amenity Center Update - Report

Mr. Insel gave an overview of the amenity center update.

SIXTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the June 13, 2017 Meeting**

- B. Balance Sheet as of May 31, 2017 and Statement of Revenues & Expenditures for the Period Ending May 31, 2017**

- C. Month-by-Month Income Statement**

- D. Assessment Receipt Schedule**

- E. Approval of Check Register**

On MOTION by Mr. Clabots seconded by Mr. Labanowski with all in favor the consent agenda items were approved to include an amendment to the minutes on page 3.

SEVENTH ORDER OF BUSINESS

Acceptance of the June 28, 2017 Workshop Minutes

On MOTION by Mr. Labanowski seconded by Mr. Simmons with all in favor the June 28, 2017 workshop meeting minutes were accepted as amended to indicate there were more than two residents present.

EIGHTH ORDER OF BUSINESS

Acceptance of the Fiscal Year 2016 Audit Report

Mr. deNagy stated next is the audit report. On page 1 of the independent auditor's report, the opinion at the bottom states that "the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities in each major fund of the district as of September 30, 2016, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America." On page 25 is the report on internal controls and I will note for the record that in the second to last paragraph it states, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. Pages

28 and 29 are management letters that are filed with the auditor general of the State of Florida. This is where there would be findings of items carrying over from prior years or current year findings. There are none and this is essentially a very clean audit.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the fiscal year 2016 audit was accepted as amended.

The board took a short recess after which the meeting reconvened at 8:07 p.m.

Continuation of item 3 the Reserve Study

Mr. deNagy stated I received an email from Dreux Isaac and he has done two updates. One was based on the mean of \$112,000 and increased allowance for lake and pond stabilization. He has modified the budget for capital funding and for 2017/18 the current level of funding is \$184,000 with that change adding \$112,000 and \$15,000 each year thereafter that moves it from \$184,000 to \$236,000. That would be for two fiscal years 2017/2018 and 2018/2019 and then it drops approximately \$37,000 to \$199,000. He keeps the funding increasing at an inflationary rate of 3%. I noted to Dreux that the board while he was working on those numbers had approved the \$78,000, so he ran those numbers as well and with the \$78,000 plus the additional pond bank maintenance of \$15,000 that would change the contribution from \$184,000 to \$207,000. I don't know if the board wants to go with the mean of \$112,000 and he does note that if we go with the \$78,000 increase he is projecting that our reserve balance at the end of 2017/2018 would be \$55,000 and it would start to ratchet it up after that.

Mr. Schroder asked how will that affect our assessments?

Mr. deNagy responded what you have in the agenda package is an assessment increase from \$1,145 a year to \$1,262, that is a little higher than what was approved at the June 13th meeting and I pointed out in a memo the changes that were made to the budget. All those changes standing with Dreux Isaac's information if we go with the mean of \$112,000 then assessments would go from \$1,145.27 to \$1,307.24 that is a \$161.97 a year increase if we go with the \$78,000 assessments would go from \$1,145.27 to \$1,274.98 an annual increase of \$129.71. That equates to \$10.80 per month.

Mr. Schroder stated I think we have a better handle on things than we did previously.

Mr. Clabots stated I would agree that he make the changes to the reserve study with the \$78,000.

Mr. deNagy stated that would increase funding the reserves from \$184,000 to \$207,000 and that would change assessments with all other line items that we will talk about next by \$129.71 a year.

On MOTION by Mr. Clabots seconded by Mr. Labanowski with four in favor and Mr. Simmons voting no the 2017/2018 reserve study with revisions to include funding in 2018 of \$78,000 for pond bank work plus funding in 2018 and subsequent years for pond bank maintenance totaling \$15,000 instead of \$10,000 was accepted.

Item 4 Discussion of the Fiscal Year 2018 Budget

Mr. deNagy stated at the last meeting we had increased our assessments to \$100 based on the reserve study that we had at that time. Since then I had asked for board member comments. I did receive comments and we had a workshop where we received some comments and Chuck, myself and Lourens met with Michael Johnson and got some additional information from Michael for some proposed landscaping dollars in the budget. There is a cover letter in front of the budget in the agenda package outlining the changes that were made as follows:

- Supervisor Fees (\$4,000) reduce number of meetings from 11 to 7
- Attorney (\$7,000) reduce estimated work hours
- Repairs & replacements \$26,055 maintain existing funding level
- Special events (\$11,000) eliminate district funding
- Program Director (\$5,500) eliminate district funding
- Landscape contingency \$9,500 add structural tree trimming
- Capital reserves \$11,395 average funding for five years - that has changed
- Other (\$4,046) other line item adjustments
- Total \$15,404

The board discussed the changes in the line items including reduction in meetings, repairs and replacements, program director and special events, and supervisors' compensation.

Mr. Wing suggested increasing special events to be slated for \$6,500 and Mr. Clabots suggested that the \$6,500 be taken out of repairs and maintenance to balance the budget.

Mr. deNagy stated with the change of the \$6,500 the increase would be \$136.92 per year.

Mr. Clabots stated let's drop repair and replacement down to \$50,000 and events at \$6,500.

Mr. deNagy stated with those changes the assessment increase by \$125.82.

Mr. Labanowski asked who is going to handle the special events?

Mr. Wing responded a volunteer committee.

Mr. Labanowski stated it is better to have the people who are going to attend the activities involved with putting on the activities. If your group wants to get involved why can't we have a round table meeting get their input on activities rather than taking the whole thing out and it could falter. Fireworks is a good example. It was good when we started off but the volunteers can't do it anymore. Maybe it would be better to keep the program director in place, reduce the cost of the program director to \$3,000, leave the activities responsibilities to them but have input from the group of homeowners that want to volunteer.

Mr. deNagy stated right now we have \$6,500 for special events \$50,000 for repairs and replacements. Are there any other changes to the budget?

Mr. Labanowski stated I would like to see a minimum amount of \$2,500 for the program director.

Mr. Fagan stated before the increase and, the increase was a year or two ago, we went from \$3,500 to \$4,200 and we are up to \$5,500 and I think our special event budget went from \$11,000 to \$14,000 so that was in part due to having more money to figure out how we are going to use that money specific to special events. Then our budget went from 15 to 20 hours a month or something like that. We originally started at 37 we can clearly go down to whatever level you deem fit and from that we will come back and quantify this is what we can provide with X dollars.

Mr. deNagy stated with that change adding \$2,500 back in for program director the annual increase will be \$128.60 that is \$10.72 per month.

Mr. Clabots stated take \$15,000 out of repairs and maintenance for events however you want to spend it on events it is \$15,000 rather than debate the details of it.

Mr. deNagy stated \$45,000 repairs and maintenance and \$15,000 for special events.

Mr. Clabots stated make it a combined category special event/program director.

Mr. deNagy stated I'm changing repairs and replacements to \$45,000 putting \$7,500 each in special events and program director so that is \$15,000 the budget is back to \$129.71.

Mr. Labanowski stated you are talking about \$15,000 for activities however it is spent. Here is the issue we are going to have if we ask the HOA to do it, they are going to have to hire someone to run the activities to make sure everything goes well. Why don't we just go to the HOA and say here is what we would like to have \$15,000 to run all the activities for the community you issue us a check for the \$15,000 that takes care of that money. We ask them for the funding and show them exactly what it is going to take care of and I like the idea of some of the homeowners getting involved.

Mr. Wing stated I would like to give the volunteers a shot to see if they can do it.

Mr. deNagy stated we have the changes made to the budget outlined in your memo I provided:

Supervisor Fees (\$4,000) reduce number of meetings from 11 to 7

Attorney (\$7,000) reduce estimated work hours

Repairs & replacements \$45,000 maintain existing funding level

Special events and Program Director (\$15,000)

Capital reserve budget is set at \$207,081

That is an annual increase of \$129.71 or \$10.81 per month.

On MOTION by Mr. Labanowski seconded by Mr. Clabots with three in favor and Mr. Wing and Mr. Simmons voting no a revised budget with an assessment increase of \$129.71 was approved.

Mr. deNagy stated I would also like to ask the board, given that we have an increase in the budget and there will be a mailed notice, there was some concern about having more than 62 people in this facility. We can hold the meeting here if the board desires, or we found a county facility-the Trout Creek Community Center-and it is available and it is free. It is a little out of the way but the hotel was \$500.

Mr. Clabots stated I don't think we had 60 people there.

Mr. deNagy stated we did not.

Mr. Schroder stated there is a community room at the outlet center on the east side of the interstate that you may want to look into.

Mr. deNagy stated we have to decide tonight. We have reserved the room at Trout Creek and we can cancel it, but in an abundance of caution we reserved it. Is there an interest in having the public hearing on September 12th at Trout Creek and if not we can hold it here?

It was the consensus of the board to hold the public hearing at the Murabella Community Center.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Simmons stated I would like a proposal from Vesta to staff the pool on the holidays.

Mr. Fagen stated that is Christmas, New Years, Thanksgiving, and Easter so that is four days. We did a quick study and four different communities close during Easter, two had no issues at all the fitness center, pool everything closed just publicized it ahead of time. We had two that were closed but allowed swim at your own risk and the first time we did that in Heritage Landing it was a mess. The second time it was okay but we didn't have any staff on hand for holidays, we like to give staff a break on that day, Easter Sunday, but we didn't have any issues there or at one other community.

Mr. Simmons stated I'm fine with there being no staff there and sometimes there is swim at your own risk anyway. Could we go that route?

Mr. Fagen stated it could be just like any other Sunday as long as everyone knows it is not attended. One issue to keep in mind in the absence of staff is a biohazard that we would term as a code brown if something were to happen in the pool that would have to be closed down. On Easter Sunday we haven't seen a whole lot of usage so if it is open and swim at your own risk on that day then I think that is reasonable.

Mr. deNagy asked is there a motion to open the pool on Easter for swim at your own risk with no staffing?

Mr. Simmons stated it is not just Easter because people have family coming during holiday season and if the weather is favorable they want to go to the pool.

Mr. Simmons moved to approve swim at your own risk on Easter, Christmas, Thanksgiving, and New Years and Mr. Wing seconded the motion.

Mr. Insel stated I know we talked about this in the past just keep in mind a few things and I will go with three of them from today, two terribly clogged commodes and one counter stall filled with blood from a bloody nose. These things will not be taken care of and any incidents in the pool will not be taken care of. When it is time to close Envera is going to be engaged because people aren't going to say, the sign says leave at 6:00 p.m. we have to leave at 6:00 p.m. that is not going to happen so you will probably have issues with stocking supplies, cleanliness, and probably damage with zero staffing. Whatever you decide I'm good with, but there may be issues and there may be a price tag associated with that.

Mr. Simmons stated your point is well taken but I think the probability based on the number of times of year we are talking about is a risk I would be willing to take.

Mr. Schroder stated I want to say I'm against it.

On voice vote with two in favor and Mr. Schroder, Mr. Labanowski, and Mr. Clabots voting no, the motion failed.

Mr. deNagy stated before we get to audience comments I would like to ask the board if we could change our August meeting from the 15th to the 8th. We normally meet on the second Tuesday, we had changed it to August 15th to accommodate the 60 day period for our budget from when we approved it in June. It would be back to the normal schedule.

On MOTION by Mr. Labanowski seconded by Mr. Wing with all in favor the August meeting was moved back to August 8, 2017 at 6:00 p.m. in the same location.

Mr. Dickinson stated I would like to ask the board to consider adult swim hours at the pool. Over the past several months I attended some social events and kept hearing common discussion from people whether they were retirees or working people or single people and some parents who had children that said I wonder why they don't have adult swim hours at the pool.

A few years back I joined a private pool and they had that implemented. I'm not so sure about other communities in our vicinity but it is something I would like to raise.

Mr. Wing stated it would be worth trying.

Mr. deNagy stated we can ask Vesta to come back with some suggestions for adult swim.

Mr. Wing asked do some of your other properties have that?

Mr. Fagen stated we typically have lanes that are designated for adult swim on a daily basis. Designated adult times for an extended period of time we tried that at Bartram a few times and had some real management issues but I can see the value. If you pop in any time and know there is a lane that is protected from everything, would that work for you?

Mr. Dickinson responded I think they were looking for a couple of hours of quiet time.

Mr. Fagen stated the challenge is if a mother of small children just spent an hour getting the kids ready to go to the pool only to have to turn around and go back home. If she knows there are certain times set designated and that could be painful for all involved.

Mr. deNagy stated you can get together afterwards and share your thoughts and Vesta can come back to the next meeting with some ideas or thoughts.

Ms. Carter stated I know Shirley Smith sent an email in April about final paving updates and there have been some discussion as to whether that is a CDD responsibility or a county responsibility or city responsibility. In my cul-de-sac every time I pull out of my driveway I pull up rocks and we sweep up bags of rocks every week. I know there was a discussion of waiting until the builders were finished. Is someone here advocating on our behalf to get our streets paved?

Mr. Labanowski stated the email sent by Shirley was for another community. I have taken pictures throughout the community and sat down twice with the county roads and bridges department, they have all the information and they were to get back with me. We are supposed to have an onsite meeting and I believe your street was part of the list because it is a rather extensive list of repairs. Neither one of those have anything to do with the HOA or the CDD, that is strictly the county and I have been bird dogging that since D.R. Horton took over we are trying to get some of the roads fixed and they said not until all the construction is done.

Ms. Carter stated when Will brought up swimming during the holidays I have yet to use the amenities but it is disappointing that we come up with reasons as to why we can't do something as opposed to why you can do something. We pay a lot of money to upkeep our

neighborhood and if it means getting extra personnel for those holidays then let's get the extra personnel to give our people a day off and let somebody else come in. We have a 50/50 chance of family coming for Christmas and being able to use the pool. As I sat here tonight I heard a lot of why we can't do things and it would be nice to hear more of let's see how we can do things.

Mr. DelBene stated you added into the reserve study the \$78,000 for the pond banks. Is that a recurring yearly charge for the next 30 years?

Mr. deNagy responded no, it is two years then it is going to come down.

Mr. DelBene asked at the same time are we also included the \$15,000 to \$20,000 for general maintenance?

Mr. deNagy responded yes, \$15,000 for subsequent years starting this coming fiscal year.

Mr. DelBene stated for the next two years we are paying \$93,000 just for the pond banks.

Mr. deNagy stated correct. The budget has been approved but keep in mind there is a cost over a 30 year plan and I'm not sure how the numbers factor out for 2018 and 2019.

Mr. DelBene asked what is the total gross assessment going into the September meeting?

Mr. deNagy responded \$129.71

Mr. DelBene stated our pool deck is incredibly hot. We have lifeguards who are actively shouting at people to stop running. There is a difference between running and my feet are literally burning and apparently we don't use the common sense approach to that because on multiple occasions the lifeguards will yell at children who are not flat out running to get somewhere but are trying to escape the pool deck. To get form the cabana to the water children are getting yelled at because they are trying to avoid the burning pool deck.

A resident asked as a resident we pay fees why can't we use the room for reading?

Mr. Insel stated other than upkeep and security having it as a lounge we have gone over this five years ago when I came here and it was used for rentals, meetings, and community groups, it was never open as a lounge.

A resident stated I propose that it be open to use as a lounge.

Mr. Insel stated in terms of management I can make that happen but there is usually one person here a day and if they are on the basketball court and you have kids with wet bathing suits on the couch that could be an issue. We could leave it open but in the past the board has said furniture and these things are expensive and if one lamp is broken that is a lot of money.

A resident stated they don't allow wet suits in the gym either so if that has been a problem there I agree it would be a problem here.

Mr. Labanowski stated that is something that can be brought to the board and the board can make a decision on how to handle that.

ELEVENTH ORDER OF BUSINESS

**Next Scheduled Meeting – August 8, 2017 at
6:00 p.m. at the Murabella Amenity Center**

Mr. deNagy stated our next meeting will be August 8, 2017.

On MOTION by Mr. Wing seconded by Mr. Clabots with all in favor the meeting adjourned at 9:20 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman