

**MINUTES OF MEETING
HARMONY COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held on Thursday, January 25, 2018, at 6:00 p.m. at the Harmony Golf Preserve Clubhouse, located at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
Kerul Kassel	Assistant Secretary
William Bokunic	Assistant Secretary
David Farnsworth	Assistant Secretary

Also present were:

Bob Koncar	District Manager: Inframark
Tim Qualls	District Counsel: Young & Qualls, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Gerhard van der Snel	District Staff: Field Manager
Daniel Finz	Field Services Manager: Inframark
James Whitaker	Servello & Sons Landscaping
Scott Feliciano	Servello & Sons Landscaping
Jason Miguez	Servello & Sons Landscaping
Nick Shoopman	SunTerra
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Supv Berube called the meeting to order at 6:00 p.m.

Supv Berube called the roll and stated the record will reflect we have a full Board.

Supv Berube introduced Board and Staff.

SECOND ORDER OF BUSINESS

Audience Comments

Supv Berube stated: I presume many of you are here to see the proceedings as they evolve and the other things there. There will be a lot of discussion around that so maybe we should hold the audience comments into that portion of the meeting. Does anybody want to speak on some matter other than that?

Hearing none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes

A. November 30, 2017 Workshop

Supv Kassel stated: I sent some corrections.

On MOTION by *Supv Kassel* seconded by *Supv Walls*, with all in favor, the November 30, 2017 workshop minutes were approved, as amended.

B. December 21, 2017 Meeting

Supv Kassel stated: I sent some corrections.

On MOTION by *Supv Kassel* seconded by *Supv Bokunic*, with all in favor, the minutes of the December 21, 2017 meeting were approved, as amended.

FOURTH ORDER OF BUSINESS

Subcontractors Reports

A. Servello & Sons

i. Letter Rescinding “*Notice of Termination*”

Accepted without discussion.

ii. Grounds Maintenance Report

Supv Berube stated: We are joined by Mr. Scottie Feliciano, Mr. James Whitaker, and Mr. Jason Miguez.

Mr. Feliciano stated: I will let Mr. Miguez cover the ground maintenance portion, but we did have a meeting to discuss the report requested by the Board. We are moving forward to implement it. For the checklist we have revised a couple of things and will send it over on the monthly maintenance report. The report will be sent 10 days prior to the meeting.

Supv Berube stated: It seems we get more paper after the agenda package is issued than we do with the package.

Mr. Feliciano stated: I can provide some dates of when projects will be started. The stump removal will start on Monday January 29th and will be completed on or before February 19th. It includes removal of downed trees and stump removal. The start date for tree installations will be February 5th through March 12th.

Supv Berube stated: For clarification we have two tree installation deals going on - some to replace the removed stumps, and then the Butterfly Drive improvement project. Is it going to happen concurrently?

Mr. Feliciano responded: Within that time. The tree trimming project will start on February 19th and go through March 12th. I will send a highlighted map of the areas we are going to start. The interior areas will be first, followed by the contracted tree portion of it.

Supv Berube stated: We had mentioned putting ribbons on the trees while you are there to indicate, first, that the tree has been done, and then some sort of color coding if the tree needs attention.

Mr. Feliciano stated: We are going to do that. Is there anything you want to cover on ground maintenance?

Mr. Miguez responded: Not necessarily. I was going to cover my report.

Supv Farnsworth asked: Is the thing that was just sent intended to clean up the email sent originally? Is this to replace that?

Supv Kassel responded: We got two emails about your reports.

Mr. Feliciano stated: It is to clean it up, but it is just one version. The report we want to send is going to have each month on the report and cover every service.

Supv Farnsworth stated: You are going to do it; this is kind of a transition?

Mr. Feliciano stated: Right. It will also have special notes we will add where we will report if we see vandalism or anything else.

Supv Berube asked: Will it be a rolling 12 months?

Mr. Feliciano responded: Yes.

Supv Berube stated: It will be the contracted services over 12 months and then will drop off and cycle again.

Mr. Feliciano stated: Yes.

Supv Berube stated: These are the guys who keep the place looking nice. We got off to a bumpy start, there have been a couple of tune-ups along the way. We had some discussions last month, there have been some changes, we have seen some improvements along the way and we hope it continues.

A resident stated: If you do not kill some of the fire ants on the cord grass there will not be any cord grass.

Supv Berube stated: Thank you for coming, see you next month.

FIFTH ORDER OF BUSINESS

Developer's Report

A. Discussion of Potential Property Swap

Supv Berube introduced Mr. Nick Shoopman. We will be talking to him in a few minutes but we are going to ask the fine ladies who produced and edited a Task Force Report. I believe they are going to provide us with the results of a survey.

{Sub-Topic Suspended}

B. Resident Task Force Report

Ms. Nettie Bartel stated: The reason I am here today is to first of all thank the people who were hard at work with me for the last month on a Task Force to examine the options that might be available to our CDD Board for a parcel of land known as BL-1. It is the piece of property a little over five acres between the traffic circle at Cat Brier and Schoolhouse and Buck Lake. It is nestled in there with a finger of land that is still owned by the developer that leads to the boat docks. As you know Harmony has recently been bought by a new developer. A very ambitious and task-oriented developer who is eager to take care of, as stated at the last meeting, 50 loose threads still floating around in the community such as the disposition of odds and ends of land, certain amenities like the old Welcome Center, etcetera. The piece of land is one of the issues under consideration. It is of particular interest to Harmony residents because the piece of land provides our access to Buck Lake. We were given to believe at the last meeting there had been either an implied or explicit threat of cutting of access to Buck Lake if certain demands were not adhered to on the part of our Board. That precipitated on the part of our Task Force a look at some of the past county approved documents that govern Harmony development going back to 1992. All have been superseded by an October 2016 document. I would like to quote from that document as I think it is a seminal piece of information in considering the fate of that particular parcel of land. In the committee's report to the Board I did include the entire document from which I am going to quote. I posted a portion of our report on Facebook and on Nextdoor but I did not include the more contentious issue of whether Harmony residents have had access to Buck Lake no matter what because in the County approved plan and I quote, "The two natural lakes will be available to the residents of Harmony." That is from Section 2.2.6 in the Recreational and Space, and later in the

document in Section 7, "Access to Buck and Cat Lakes will be restricted to members of the Harmony plan of development which includes Harmony residents and their accompanying guests, as well as authorized representatives of the developer's, HOAs, CDDs and other recognized Harmony organizations. Boat ramps, docks and swimming areas will be designed to protect the wetlands on the lakeshore line to the highest degree possible" and continuing on page 24, "Boat ramps and community docks will be located in areas currently used for lake access." It gives a bit of perspective about what some of the Harmony residents rights are as articulated in the County-approved plan of development. When our committee first met we did not exactly know and did not have a clear understanding of what our mission was. We decided to keep a log of information gathering and researching. Among our best sources was to talk to as many of you as possible. In the course of conversations with the Harmony residents it quickly became apparent that there were a wide variety of points of view. There was one group of people who largely wanted no increase in fees no matter what that meant in terms of implications for future amenities or anything else just keep our CDD taxes down to meeting the requirements of paying off our bond and for the operating expenses. There was another group who were just as adamant, and maybe more so, that they wanted to retain the open green space that currently characterizes the land we are talking about; they did not want it to become 22 houses, 15 houses, 13 houses or whatever the latest iteration of residences being proposed. Those people were very vocal and made their point of view known. Then there was another group of people who said so much is changing in Harmony, including not just that parcel of land but a parcel of land on Schoolhouse and Butterfly Drive. Why do we not take the opportunity to do something about what we have long needed here which is the third swimming pool and an alternative community center. I talked to some people who have been going to a church across the street and they thought one of those parcels of land would make a handy-dandy place where they could get together on Sunday mornings for worship, Sunday school, and youth activities. Then, of course, people had ideas about child care and so on and so forth. A lot of things surfaced and in a minute we will talk about the survey we did. The survey reflects the conversations we had with people in the community and their expressed desires for what they would like to see happen in Harmony. Before I go any further I want to acknowledge the people who were on my committee: Mr. Jim Bell, Mr. Don Bratton, Ms. Carole Greenwald, and Mr. Mark Catanese. We decided to follow up, as much as we could, on some of the suggestions including the community center option. We identified all of the community centers in Osceola

County, how they had been funded and what it cost to maintain them and it quickly eliminated some options for us. There is a State plan, I believe 322, that applies to State grants for community needs such as community centers which was used to fund the Holopaw Community Center. Kenansville has a big landfill that they get an income stream from and funded their community center through that. There are some rural community centers funded because the County already owned the land and so forth. Most of the community centers in Osceola County were funded by people like us, the community members. Since we were not eligible for other sources of funding it looked like that is what would have to happen here if we wanted a community center, swimming pool or any other amenity. The report itself, as I mentioned earlier, I have posted on the internet. Most of you have read it in connection with the survey we conducted. I am going to skip over what we saw as the advantages and disadvantages of what we saw as essentially three options growing out of our conversations with community members. One being to accept the land swap as proposed by the developer with pluses and minuses, which has to do with the next item on the agenda and some of you may want to speak about your feelings on that. The second option was to just buy the land for now so we would preserve our options and keep the green space. There are some reserve funds, some are earmarked and some are not, that could at least in part be used to purchase the parcel of land putting it in our own hands and destiny. The third option is to buy the land and build something - a pool or community center. We got some funding estimates and Mr. Koncar was very helpful in giving us a \$2 million option spelled out with what it would cost per resident per year over a five and ten year plan. Mr. Bratton was able to get from a banker a source if the money were borrowed commercially what it would come to per resident over a period of 10 to 15 years. The main thing we want to look at is what the residents of Harmony have told us about what you think about these options available to us. We tried to formulate a survey that would be simple and have very few questions. The questions are, as I indicated earlier: Option 1 - we do not want to do anything that cost anything extra; Option 2 - buy the land and preserve the open space; Option 3 - deals with the swimming pool option; and Option 4 - had to do with the community center option.

A resident asked: How many people took the survey?

Ms. Bartel responded: We got 150 responses and I want to thank every one of you; that is a fantastic response rate for something on social media in a community this size. A few people said my neighbor does not have a computer, how do we get her input. Supervisor Kassel is a

national subscriber to Survey Monkey, we used that format so we could not really introduce paper and pencil surveys into it because it was all coded and tallied by the program.

Ms. Bartel stated: I literally finished a 10 page report this afternoon and neglected to bring my own copy. I want to thank Mr. Koncar for forwarding it immediately when I got the survey results to him.

Ms. Bartel reviewed the survey results noting the columns represent the responses.

Chart 3 - Number of Residents Selecting #1 “Strongly Agree” for each question

- Question 1 - Save money - 39
- Question 2 - Preserve - 77
- Question 3 - Pool - 28
- Question 4 - Community Center - 40

Chart 4 - Number of Residents Selecting #1 “Strongly Disagree” for each question

- Question 1 - Save money - 54
- Question 2 - Preserve - 22
- Question 3 - Pool - 72
- Question 4 - Community Center - 49

Distribution of Rations, Question by Question

Chart 5 - Question 1 - Save money - 39 strongly agree, 54 strongly disagree

Chart 6 - Question 2 - Preserve - 67 strongly agree

Chart 7 - Question 3 - Pool - 82 strongly disagree

Chart 8 - Question 4 - Community Center - 49 strongly disagree

Supv Berube stated: As we said last night when we touched on this for a few minutes. It is very detailed and thorough. I have some disagreement with a few of the conclusions of the financial stuff but that is okay, it moves all over the place. What I did not see in reading it is the report seems remarkably neutral in its conclusion. If there is a direction the authors and your Task Force are telling us to go I do not see it.

Ms. Bartel stated: I think we started out with opinions and the more we talked to people, the more we saw how difficult the situation is. These options all have positive aspects; creditable, substantial, positive advantages to them. Similarly, all have credible negative aspects to them. The way it has started to make sense in my mind is if we think of this as a point in time what makes sense right now for Harmony because we are at a choice point given the new developer and the

quick way changes are being made. I think that puts pressure on the five of you to make a responsible decision; a decision that might have been different a year ago or even five years from now. Right now, are you going to view this as a moment of opportunity, a moment of desperation, or a moment where you have to do something like "Eeny, meeny, miny, moe". We did not take it as the job of the Task Force to point you in a direction; we took it as our job to get information out as much as we could, given that we did not have a staff or budget and we had a month with the Christmas holidays and all the Bowl games to cloud the time available to us.

Supv Bokunic stated: Phenomenal job.

Ms. Bartel stated: I want to thank the Board for the opportunity and again the committee members. Supervisor Kassel was indispensable as our contact, consultant, and conduit to the Board. She was a pleasure to work with and I thank all of you for being interested. [applause].

Supv Kassel stated: Question 2 did not have any cost associated with it and there were a number of people who strongly agreed that the CDD Board should not spend any money on anything other than paying the bills and the debt service, but they also strongly agreed that we should buy the land in front of Buck Lake. It seems to be a contradiction.

Ms. Bartel stated: I looked at the raw data carefully and there were contradictions. There are contradictions in me, I want to agree with more than one and I think it may be true for some of the rest of us. These are not black and white, this is gray and there are implications for each of those options. I think this is an extraordinarily important but difficult vote for the Board. We can only trust that the Board has done the due diligence, looking at this and taking all the factors into account.

Supv Kassel stated: Maybe it got a higher rate of agreement because there were no costs associated with it.

Ms. Bartel stated: You can see in two places - the CDD Board should be willing to spend money; we did not have a dollar amount because there has been some fluctuation in the dollar amount. The CDD Board should be willing to spend money to keep Harmony as was originally planned - giving priority to preserving and extending open space, including spending money to ensure open space in front of Buck Lake.

Supv Kassel stated: I understand, but when you are not including amounts like you did in Questions 3 and 4, it may mislead people as to how much it is going to cost them because there is a \$51,000 CDD annual payment we would have to forego if we purchased the land.

Mr. Bratton stated: That is not really true either - we would not necessarily have to forego the \$51,000. The estimates I came up with for buying that piece if the price is really \$460,000 if we can get a 15-year note and if we can get the note at 5%, is \$9 plus replenishing \$51,000, it is a \$12 to \$13 per month increase. There are so many ifs in it, when do you stop.

Supv Kassel stated: As I mentioned in one of our meetings, it turns out that the developer has an existing agreement with Fusilier for right of first refusal on the property. Even though \$460,000 has been bandied about, that was a number at which the developer might have sold it to us had they not had a pre-existing agreement with Fusilier, which means we would not be able to buy it from the developer because they have already promised right of first refusal to Fusilier.

Mr. Bratton asked: Is that a fact? Do you know?

Supv Kassel responded: You can ask Mr. Shoopman.

Ms. Bartel stated: I believe the question is beyond the pay grade of our Task Force.

Supv Kassel stated: I am just letting people know.

Ms. Greenwood stated: I would like to make a comment and I am going to come at it from a different position. When this matter popped up I think we all felt pressured that we have to make some decisions quickly, and I can appreciate the pressure put on the five of you, but what we have uncovered, as Ms. Bartel read, is no, we are not going to lose access to Buck Lake. It is in writing and recorded in the Osceola County records. No, we are not going to lose access to the boat dock so let us take it off the table for the moment.

Supv Kassel asked: Can we ask our attorney about that?

Ms. Greenwood responded: Let me finish. I do not think a decision has to be made on this tonight although the original suggestion from the developer was January 25th. I think we need to do more extensive research and identify some of the questions Supervisor Kassel has come up with, which I think are purely legitimate, and what have we really gleaned from these four questions in the survey. There needs to be a more extensive survey. One of the things that pleased me so much was that we got 150 responses and we really did not distribute the opportunity to take the survey sufficiently.

Ms. Bartel stated: We did ask to have, because we did not have the email addresses, the manager of our HOA to distribute the survey given their office has all the HOA addresses and we did not hear back.

Supv Berube stated: He asked me and I told him to go ahead.

Ms. Greenwald asked: When was he going to distribute it?

Supv Berube responded: He asked me Monday afternoon and I said go ahead, it is not a problem.

Supv Berube stated: This can go on and on. We could survey this to death. When you write a survey you can adjust the questions to attempt to get the answer you want, and I am not saying that is what happened here. The questions were remarkably neutral but there was a suggestion a moment ago to do another survey and that delays it for another month, then another month, and we will have a survey up on the board and this happened, and that is not where we are at. The job of this Board, the duty of the Board, is to work with the developer. The developer has development rights throughout Harmony. It is not up to us to stop development. You have to remember the developer invests money here, buys land, and they want to recover their money through development.

Ms. Bartel stated: The development is subject to the plan of development approved by Osceola County.

Supv Berube stated: I understand that and when you look at the PUD they have the right to develop that land; it is zoned and ready to go.

Ms. Bartel stated: With the conditions set forth.

Supv Berube stated: I understand. They are not saying they are going outside the conditions.

Supv Kassel stated: They did actually; they said they would revoke our access to Buck Lake. It is a question I have for the attorney and engineer.

Supv Berube stated: We have to move forward.

Supv Bokunic asked: Can we hear from Mr. Shoopman?

Supv Walls responded: We need to open it up to the residents.

Supv Berube stated: We need to get off this and open it up to the rest of the folks who showed up here tonight and want to say something.

A resident stated: In the interest of transparency - when did you know about the first right of refusal?

Supv Berube responded: I did not know.

Supv Kassel stated: A week ago.

The resident stated: We were under the impression the land was available.

Mr. Shoopman stated: It still is available; you can buy it for \$460,000.

A resident stated: It is overpriced.

Supv Berube stated: It may be.

Ms. Greenwald stated: Not compared to Fusilier. Ms. Bartel and I met with them and they said they would sell it to us for \$875,000.

A resident stated: Regardless of the price, if we know we still have access to the lake what difference does it make if we buy the ground or not?

Supv Berube responded: Access to the lake is a minor sliver of the entire discussion. We are going to have access to the lake.

The resident asked: So it is not a matter of denying access to the lake by not buying the property?

Several speakers responded: No.

Supv Berube stated: The access to the lake got overblown in a huge manner because of the way it was presented.

Mr. Shoopman stated: We have no desire to take away your lake access.

Supv Walls stated: I will say that is what drummed all of this up. Maybe I misunderstood, but when you walked in here the first time, the first thing you said was you have this Buck Lake agreement and it is going to expire and we can revoke access. This is how the whole thing started for me and does not make me warm to any proposal that comes up after that. That is why it got overblown because that is what you walked in here and said.

A resident stated: A clear and obvious threat.

Ms. Greenwald stated: I want to add that Mr. Fusilier told Ms. Bartel and I if the CDD did not agree to the swap of land parcels that he was not going to exercise his right to purchase it.

A. Discussion of Potential Property Swap

{*Sub-Topic Resumed*}
[from point of suspension]

Mr. Mark LeMenager stated: I would like to speak in favor of the swap as I think it is a good thing, all things considered. But I would also like to point out one item, now that I am no longer here to remind my colleagues every few months; let us remember that there is \$300,000 of the current budget, the surcharge on your taxes, this Board agreed to pay down the streetlights. The project is almost done and when you are talking about money you absolutely have to keep in mind

that, after 2019 we have got \$300,000 a year to decide what to do with; lower taxes or spend it on other things. I was here when the vote was held and I did say at the time I would remind you of this from time to time, and I shall not forget that.

Supv Berube asked: Have we lived up to the agreement that we spent all of that money and more to buy down those expensive streetlight leases?

Mr. LeMenager responded: A fine job.

Supv Berube stated: The end result of what Mr. LaMenager is talking about is we will probably save about \$1 million in interest costs by spending \$2 million or so upfront. The fact of the point is the money does not become available for another fiscal year. The other thing is Harmony is aging and adding new neighborhoods all the time. This developer is contemplating putting in a new neighborhood. Mr. Fusilier just bought 186 lots. They were existing lots and this developer, or he, is going to develop those lots, which means new neighborhoods. What does that mean to the CDD budget? It means we have increased costs and no additional income because the CDD fees are already being paid. A big open field does not cost anything to maintain, when a neighborhood goes in, we add it to the Servello contract, the TOHO water, and OUC electric; all of the costs of maintaining that neighborhood. Field services staff have to go in to take care of playgrounds, open areas, benches, dog pots, all of it. As we proceed, I can guarantee, Mr. Fusilier is going to develop those 186 lots at a rapid pace because he just spent money and he is paying CDD and HOA fees on those lots. You are going to see development here like you have never seen before. Whether it is cheap or not, I do not know, but we are going to have these meetings again as these new neighborhoods come on board for approval by this Board. You have seen what we have done to the developers in the past, if there is no park we will not accept it. This is how we started getting swing sets, playgrounds, and park areas in every single new neighborhood and forcing them to put in dog pots, benches, and trash cans because they skip that. Again, the \$300,000 can evaporate very quickly.

Mr. LeMenager stated: That is the same nonsense I kept hearing year after year while sitting up there; it is zero based budgeting. My only comment to the folks is be careful what they do with your money as we all know what politicians like to do when they suddenly have a big pot of money to do something with; they like to keep it instead of giving it back to you.

Supv Berube stated: Not this group.

Supv Bokunic stated: That is a pretty broad stroke, unfair statement.

Supv Berube stated: It is a very unfair statement; dues have only risen here once.

Mr. LeMenager stated: I am not on the Board anymore so I can be unfair.

Supv Berube stated: Dues have only risen once here in the last decade and it was to fund the streetlight buyout. I can tell you I am not for raising anybody's dues, taxes, or fees; but you have to understand reality. There is so much money in the pot called the budget; if you do not want to raise fees you have to cut services and with new operations coming online there is a cost. Having said all of that we need to return to letting folks speak. We have another speaking request from Ms. Audrey and Mr. Mike Giberson.

Ms. Giberson stated: I thought there was a sign-in sheet.

A resident (Nancy) asked: What was the other piece of property with the swap?

Supv Kassel responded: There is a small strip out front by 192 that had been forgotten about and needed to be deeded to the CDD, but with this swap we are also getting the community garden, the landscapers compound, and some other benefits.

Mr. Shoopman stated: The RV storage lot, as well.

Supv Kassel stated: In addition, assistance with getting repairs made to the dock at the lake and some additional funds for those repairs.

Ms. Greenwald stated: There is also the piece of property by the school.

Mr. Shoopman stated: Parcel G.

Supv Kassel stated: That is another thing the research did not take into account; it just looked at the Buck Lake parcel. It did not look at any of the wider scope of Harmony CDD and what other property, and as someone wrote on Facebook today, if you buy this one why should you not buy that one. We have to think big picture, and as Ms. Bartel said at this point in time, but we have to think 20 or 30 years ahead as well and what is best for everyone in the community not just the people who live near Buck Lake who would not like to see houses there.

Supv Berube stated: Mr. Shoopman, correct me if I am wrong, the land swap at VC-1/BL-1 is completely separate and distinct from the other transfer of land. Let us go back to that - the developer offered us five parcels of land totaling about 44 acres - the big open green space at Schoolhouse and Five Oaks, the space along 192, there are a couple of other green/wetland spaces scattered throughout the community, and then the parcel which is generally the area at the end of Shell Path Road to the garden, the commercial vehicle parking area, and the landscaper storage area; which is probably technically wetlands too. The areas of value there, the wetlands

no big deal, none of it is fee assessable and basically they want it off of their books. They are not saving any CDD fees or anything like that, they are just cleaning things up and turning liability and potential maintenance costs down the road over to the CDD. It seems like a pretty germane and neutral transaction; we gain some land and, by taking all of those wetlands under our control, they become conservation areas in perpetuity. For running the garden and commercial vehicle parking area, at this point I think, though we would own it, we would continue to let the ROA manage it; it has been working so far. I would like the Board to consider it.

Supv Berube moved to accept the land donation as previously defined.

Supv Berube stated: This separates it from the land swap for VC-1/BL-1.

Supv Farnsworth stated: The land donation, independent of the land swap.

Supv Berube stated: Independent of, we are not talking about VC-1/BL-1.

Supv Kassel seconded the motion.

Supv Walls asked: Did we not do that already?

Supv Berube responded: No. We got to that point.

Supv Kassel stated: I was not sure it was not a package deal.

On VOICE vote with all in favor, the motion was approved.

A resident asked: Where are the 186 lots you mentioned?

Mr. Shoopman responded: They are scattered throughout the community. There is a parcel at the entrance that has 35 villa lots in the open lot next to the townhouse, at the other entrance there are 46 townhouse lots, 31 estate lots, Parcel G which could potentially hold 10 houses.

A resident asked: Where is Parcel G?

Mr. Shoopman responded: Across from the school.

Supv Berube stated: Starwood and you were going to develop Parcel M. What was it?

Mr. Shoopman responded: 65 80 ft lots.

A resident asked: Where is Parcel M?

Supv Berube responded: Directly behind the horse stable and going southeast.

A resident asked: Who owns the big field behind the Welcome Center?

Supv Kassel responded: It is part of Fusilier land.

Supv Berube stated: All of the open spaces that are developable lots have been transferred; with the exception of The Lakes, which SunTerra is maintaining. All of the other developable lots in Harmony Main are now under the control of Mr. Fusilier.

Supv Kassel stated: And BL-1.

Supv Berube stated: BL-1 is not under his control, it is SunTerra's.

A resident asked: Are you going to be able to control the quality of homes Mr. Fusilier is putting in?

Supv Berube responded: To a degree, yes. The way it works is he owns the land and he is going to develop a five acre neighborhood. At some point in the development process they bring us plans. These are the houses, lots, where the park is going to be, the benches, swings, whatever the case is, and this is how the landscape is going to be. At that point we have a limited amount of input in what is going to happen.

Supv Kassel stated: Not for the houses.

The resident asked: Does the County?

Mr. Shoopman responded: Yes. You are governed by the PUD; there are requirements for quality of development and minimum development standards a developer has to live up to whether that is me or Fusilier, DR Horton, or Lennar.

A resident asked: What about colors and everything?

A resident asked: Whatever happened to the ARC?

Supv Berube responded: We still have it.

Supv Kassel stated: That was controlled by the developer.

Supv Berube stated: When it is a new neighborhood, the developer has control; once the neighborhood is 90% complete, the ARC rolls over to the HROA, not this Board. We can request landscape buffers and more park area, but the actual layout of the neighborhood is governed largely by the PUD and whatever the County regulations are at that point.

A resident asked: Are the County regulations that determine the quality of houses to be built in existence now; or the ones under proposal for new guidelines?

Mr. Shoopman responded: They are existing.

The resident stated: You could build houses like DR Horton is building on 192.

Mr. Shoopman stated: I do not know which ones you are referring to, but potentially, if they live up to the minimum PUD requirements.

Supv Berube stated: I think some of the houses built recently are on the minimum aspects of the PUD that applies here.

The resident asked: Is there a standard for houses built in Harmony?

Mr. Shoopman responded: Both would apply. There is the County standards and then there is the Harmony PUD document, which supersedes the County restrictions; or if not, it will fall back to the County.

The resident asked: Which is more restrictive?

Supv Berube responded: The PUD is more restrictive.

The resident stated: My concern is, I live very close to that parcel and 12 houses are going to go in there that look shabby and low cost.

Mr. Shoopman stated: I guarantee you the price point will be quite high.

Supv Berube stated: It is 55 foot lots at 135 feet deep, on average.

Mr. Shoopman stated: With a CDD assessment of \$5,000 or \$6,000 per lot, per year, they are going to have to be expensive houses.

Supv Berube stated: I think they said 4,000 sq. ft. houses are going to be the target for that size lot.

A resident (Nancy) asked: Is there not going to be another piece of property, if we do not buy these five acres, where we could put a community center?

Supv Kassel responded: There is Parcel G, but it belongs to Fusilier and we would have to deal with them. Is that correct, Mr. Shoopman?

Mr. Shoopman responded: Yes, but I will say, as a developer, you should consider it as a more palatable piece for a community center or whatnot, as there is no CDD debt on the parcel.

Mr. LeMenager stated: You said as we add new neighborhoods it increases the CDD expenses. Would that negate the loss of the \$50,000 per year for this new neighborhood?

Supv Kassel responded: It would add to it.

Mr. LeMenager stated: You are losing \$50,000 if you buy it but you are gaining how much if they build a new neighborhood?

Supv Kassel responded: We are not gaining anything. We are gaining more expense, but no income.

Mr. LeMenager stated: You are gaining expense if they build there. You are losing revenue if they do not build.

Supv Kassel stated: It is probably 10% or less that we are going to be spending there.

Supv Berube stated: You have to remember, we are going to lose \$52,000 per year if we buy it.

Mr. LeMenager stated: Your expense is going to go up if they build it.

Supv Kassel stated: By a couple of thousand dollars, at most.

Supv Berube stated: The key to that is remembering it is \$52,000 per year for the next 15 years. Not only do we lose the income we still owe the bondholders the \$750,000. It is a \$1.5 Million exchange over 15 years that we have to pay; it is very expensive and these are the financial numbers that you come up with when you look at buying it. If you do that you have that expense before you ever consider the \$460,000. I think some of the numbers in the Task Force were wrong - the number used was 1,567 landowners; I think it is closer to 900.

Ms. Bartel stated: We have 980 now and 180 coming on.

Supv Berube stated: The HOA bills 1,064 lots which includes the 186 that Fusilier just bought. In doing the math you are down to around 900 lots. That should be the rough number of CDD lot payers.

Supv Kassel stated: We got the number from Mr. Koncar.

Supv Berube stated: I do not know how he got 1,567.

Ms. Bartel stated: In the meeting we had with Mr. Fusilier he quoted a price of \$650,000 if we wanted to buy it.

Ms. Bartel stated: If you are going to go ahead and do the land swap I would really encourage the Board to engage the service of an attorney who would review the document. Even though I have almost 50 years of residential and commercial real estate experience there is no way I would take on the job to review a document. I am suggesting having an attorney review it because I have heard some statements alluding to the fact that the houses will be a minimum of 4,000 square feet and the lots will be this size. I suggest and encourage the Board to say we are going to do the land swap, but it is all going to be stated in the document, and that the document transfers to anyone who owns the land.

Supv Berube stated: To your point, District Counsel has been involved in all of this since day one, has done multiple reviews of documents, land transfers, how we arrive at the debt, and

where we are going next. District Counsel is not outside of this and there have been numerous emails exchanged because we have cycled down to, if you are going to do the swap, you have to know what your CDD fee impact is going to be. There is going to be some change. We know the whole parcel is worth about \$52,000 per year, so if we swap we are going to take some non-assessable land now and make it developer land, we will take some developer-owned land that is now assessable and make it CDD land. After assessing all of the plats, plots, and everything else, what we came down to - and Inframark took a lot of time figuring this out - it is 1.09 acres of developable land that will be involved which will lose CDD assessments on, when all is said and done. Our maximum debt limit per acre is \$2,300 per acre as part of the assessment methodology. Every year we will lose 1.09 acres times \$2,300; and that times 15 years is roughly \$40,000, give or take. If we do this, that will be the request from the developer - are they willing to shoulder that because we have the debt obligation - and we cannot ask you the rate payers to shoulder the \$40,000 obligation to give them that request. Additionally, for those that stay with our meetings month-after-month you might remember when they bought this we had a controversy over a true-up deal regarding the debt. That net swap of land causes the maximum debt assigned to those lots to exceed the \$2,300 per acre debt ceiling. We know that and the number it takes, called a product modification payment, works out to about \$10,580. That will be the financial impact to the developer to accomplish this, as presented, and is the stumbling block right now for this Board to look to the developer. I think he has been involved in this so far, as there has been a lot of work behind the scenes to figure this all out, and it is pretty accurate from what I can tell because we are giving up $\frac{3}{4}$ of an acre and gaining $1\frac{1}{2}$ acres; but again there is a lot of calculating of developable acres to make sure we stay within the bond guidelines. All of this is carefully regulated with bond underwriters and lawyers. It should be about a $\frac{3}{4}$ acre swap but it is not; it is 1.09 acres. So before we proceed down the road we will need this answer from Mr. Shoopman - you have seen the documentation that has been going back and forth and we are going to look to you for an agreement should we proceed with this land swap as detailed multiple times for a payment from you of about \$50,000. We will figure out the exact numbers.

Mr. Shoopman stated: It is agreeable.

Supv Berube asked: You would write a check for that to accomplish this?

Mr. Shoopman responded: Yes, sir.

A resident asked: May I ask my question please?

Supv Berube responded: I did not know you had a question.

The resident stated: It is my understanding that the new developer made a serious threat of closing down access to Buck Lake.

Supv Berube stated: We covered that already.

The resident asked: Do you believe that was serious or major or not? I do not think it particularly relevant, but the threat was made. The question is why would they make a threat like that? It seems to me they are trying to motivate you to do this land swap. I am wondering, without the land swap, what the developer would do with the area. Would they still develop it? Would it still be worth the same thing if the CDD did not provide this strip of land?

Supv Berube asked: Are you going to do anything with the access to Buck Lake?

The resident responded: I am not talking about the access; we already know we have access, somebody determined it is in the County records that we have guaranteed access so the threat is meaningless. Now, knowing the Harmony CDD does not have to give up the land in front of Buck Lake just to get access to Buck Lake - with that land, are we residents still able to walk to the lake whenever we want to - let us say the CDD holds onto the strip of land and does not swap it to the developer who made the threat; what are they going to do with the land they have left?

Supv Berube stated: My guess would be that they would build to the initial plan which was 20 houses crammed in there at the very minimum PUD quality requirements. That was the plan that existed before it got modified. They own the land they can do what they want.

The resident asked: Can we have the developer speak for the developer? Is that exactly what your plan was or what you would do if you did not have the strip of land?

Mr. Shoopman responded: I think everyone is blowing the lake access out of proportion. I want to give it to you in perpetuity and the whole point of doing this is to eliminate the agreement. You have lake access through the PUD, yes. Do you have usage of the lake? Who owns the lake? Yes, you have access and have two other docks that can access the lake. I have the ability to build on the lake and I could build those houses. I do not want to build that, I want to build something that works for everybody.

The resident asked: Did you just say you have the ability to build houses on the lake?

Supv Berube responded: In that parcel.

The resident asked: Is that not part of the DRI and no houses are to be built on the lake?

Supv Berube responded: The DRI is gone.

The resident asked: It was cancelled and our CDD said okay, lets cancel it?

Mr. Shoopman responded: DRIs have been gone in Florida for quite some time; they were eliminated by the State of Florida.

Supv Berube stated: We have heard the financials and the financial impact of this process. The developer has agreed to cover the \$50,000 which will be the net impact. At some point you have to vote.

<p>Mr. Berube MOVED to do the land swap as detailed to include the development of the parcel as shown on the last plat map as 12 lots, landscape buffers, parking area, seating area, repairs to the boat house up to \$5,000, and handling the permitting to allow the redoing of the boat house.</p>
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Supv Berube asked: Does the motion cover all that we need to cover?

Mr. Qualls responded: There is going to be review and other items as we move forward and I think all of it is subject to the attorney's getting together to be able to iron out the details.

Supv Berube stated: We have done most of the groundwork and I think we are on solid ground with most of the numbers. I want to make sure the motion I just made is encompassing of what we are attempting to do.

A resident asked: Are you just going to ignore the survey where people want green space? How can you vote on this now?

Supv Bokunic responded: Half the people did not want green space.

Supv Berube stated: I asked the Task Force for a conclusion of which way they want to go and they said we really do not have a conclusion. Some people are not going to like this, but we need to move this forward otherwise it will be another meeting with another survey and it goes on and on. You have to bring it to a conclusion. The developer is going to do something there - it is our duty to get the best possible package out of the developer. He just agreed to spend \$50,000 more to satisfy our needs which has been my drive in all of this to make sure we do not negatively financially impact anybody. We have gotten considerable financial consideration already and that is what we are going to do, move forward. My motion may not get a second, it may not pass.

The resident stated: You are making money by selling Harmony green space to the developer.

Numerous speakers stated: He already owns it.

Supv Kassel stated: We are getting more land in this swap than we are giving.

Supv Farnsworth seconded the motion; with Supv Berube, Supv Farnsworth, Supv Bokunic and Supv Kassel voting aye and Supv Walls voting nay, the motion was approved.

[Applause]

Supv Berube stated: I realize some people are not happy. We are never going to make everybody happy because, as you saw on the survey, you have widely varying opinions. I can promise you that we will continue to make sure that development looks as nice as it possibly can, the financial transactions are accurate, and that there is no negative financial impact to the rate payers here.

Mr. Koncar stated: We are planning on bringing this back to the next meeting as there is a lot of work that has to get done.

Supv Berube stated: The finalization of all the finances. In anticipation, we expect about \$50,000 to come from the developer - \$10,000 for the product modification and 1.09 times \$2,300 times 15 is about \$40,000 - but we will need the final numbers for ratification. We have approved it subject to the final deal.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

Supv Berube stated: I am remembering something about an encroachment on Indian Grass; going back six or seven months. What are we doing about this encroachment?

Mr. Boyd responded: I do not have a good answer for you today because I did not get a conclusion. My thoughts about it are it is a bit of a challenge. My initial thought was to grant an easement to the homeowner/lot, but there was concern of whether it would be a problem for the lot, but that is not necessarily your problem. Beyond that, you are looking at deeding land to them, and, to me, that opens up a lot of problems; so I do not have a good answer for you. This is an opinion, and it is an engineer's opinion not a legal opinion, my thought would be if you are going to deed the land, you will have to determine what the width is and do it the entire length of all the lots.

Supv Berube stated: Otherwise you have a jog.

Mr. Boyd stated: Otherwise you have decided, arbitrarily, that you have given up some land for that one lot. You can make a more uniform decision and change the buffer as opposed to what it was before.

Supv Berube stated: This could get fairly complex to settle. What happens if we just do what we have done so far and ignore it? It is not really where we should be, but how far do you go with it?

Mr. Qualls responded: It is an encroachment; it was not done on purpose. The relevance of it does not matter; it is still an encroachment. I do believe action would be in order and in talking about this with the engineer the only two options would be to dedicate it or to seek some form of compensation for the loss. The other thing the engineer said, which makes sense, is technically it is not your problem to spend a lot of resources to fix, so perhaps you just direct us to notify the landowner of the encroachment and ask the landowner to present potential solutions. He came in and asked for an easement.

Supv Berube stated: He told us, "*we made a mistake, what do I do*"; and we said we would look into it. What if we do this - Mr. Koncar, can you go back in minutes, six or seven months, to find his name and address. I would suggest, as District Counsel just said, it is not our problem to fix this, and he did come to us to say he needs to fix it. Maybe set up a conference call with you, District Counsel, and the District Engineer and have a conversation about where do you want to go with this. Then you can come back and tell us.

Mr. Qualls stated: It is CDD land that is affected, but I am not sure which lot it is.

Supv Walls stated: I would present the simplest option to the landowner. We are talking a small portion of land with a small value attached to it. Figure out what the value might be and say "*we can fix this, we will sell you that piece of land*"; whatever that cost is, and we are done. That will be our proposal. It is not our fault they made a mistake, but they did make a mistake. Instead of dedicating the whole strip of land and doing all of that, say "*this is the cost of the six inch piece of land, pay it and we will be done*".

Supv Berube stated: You will have to figure out if they are giving us accurate information.

Mr. Qualls stated: They will need to give us a survey.

Supv Kassel stated: And they cover our legal costs.

Supv Berube stated: Mr. Koncar, Mr. Qualls, and Mr. Boyd. The landowner did come here to say "*we blew it and I want to fix it*". We have kind of shoved it down the road, and it is not

really the right thing to do, because at some point it is going to come back to bite somebody. We need to get the parties together and, as Supervisor Walls suggest, if the easiest way of fixing this is figuring out what the little piece of land is worth, asking them to write a check and move on down the road, we have satisfied everybody's request.

Supv Farnsworth asked: Is there any difficulty in selling him that small piece of land with the title work and all of that?

Supv Berube responded: It will all be on the owner. We need to get the determined value; we are not experts and it is why we pay these folks.

Mr. Koncar stated: We will follow-up.

Supv Berube stated: The wet area in Neighborhood F.

Mr. Boyd stated: I spoke to Junior Davis about it today. When I originally met with them they said they wanted to come out when they were ready to mobilize it. We just had a pre-construction meeting with the water authority on Neighborhood J. They are about to mobilize on Neighborhood J and I specifically asked them about it today saying, "*remember, you said you would come back to fix that area*"; and they said, "*yes*".

B. Attorney

i. Hall Company Ashley Park Resurfacing Contract

Mr. Qualls stated: I think this item on the agenda may have been placed inadvertently. My understanding is that this was completed and the job was done well.

Mr. van der Snel stated: It is not completed yet. There are still some line striping issues that were way off and two puddles to be redone. The Hall Company has promised to do it; however, they have not done it yet. I have stated to them that, once it is completed, we can CO the invoice.

Supv Berube stated: At this point we have not approved the invoice as we are waiting for completion to your satisfaction.

Mr. van der Snel stated: Correct; it is 95% done.

Mr. Qualls stated: If I send a letter, it will be unnecessary at this point. Maybe have the District Manager send a letter as a follow-up.

Supv Berube stated: You have good rapport with them and they have been cooperative.

Mr. van der Snel stated: They have been very responsive.

Supv Walls stated: They are going to want to get paid.

Supv Berube stated: He told them until they get the punch list done he is not clearing the invoice.

Mr. van der Snel stated: They wanted their payment already, but I refused.

Mr. Qualls stated: That is what the contract says.

Supv Berube stated: We put the start dates in and it was cold and rainy, so they started in the rain. They did what they said they were going to do, and overall it has probably been a pretty good paving project; for the edification of the Board. I think we got a fair deal. It turns out they probably under estimated on the total square yardage, and that is probably why the deal looks so good. It was how many loads of asphalt?

Mr. van der Snel responded: 22.

Supv Berube stated: I think they figured 10. We got more than an inch, as evidenced if you have seen some of the comments on Facebook, because the drain structures are now like potholes. To get the drainage, you have to put in enough asphalt; and we have got a solid 2 to 2½ inches throughout most of the place, versus the contracted 1 inch. They have tapered it all and raised the storm drains; so, overall, the traffic issues have gone away and it looks really good. I would say Hall would be on the approved list for the next group of alleys we want to do.

Mr. van der Snel stated: Yes.

Supv Berube asked: Speaking of which, do you want to start a project of doing more alley refurbishments, or do you want to wait until later in the year? We have the money and some of them need it. If you want to do an assessment, we can do that and see where we need to go next.

Supv Walls responded: I think it needs to be on a schedule. We need to continue doing them as they need it.

Supv Berube stated: The problem is we are behind.

Supv Walls stated: That is what I am saying; we have set aside the money, we should spend it, and we need to figure out which place.

Supv Berube stated: We will get an assessment and figure out where we are going to go. The traffic issues are something to consider when you do this, but overall it worked out very well. There were one or two complaints about traffic.

ii Servello Contracts

Mr. Qualls stated: The next item is the contracts that this Board has heretofore approved with Servello; but at the workshop, Servello brought up a few points and wanted to address the 40% payment in advance where materials were needed, and a couple of other issues. At the workshop it was directed that Supervisor Bokunic would work on it as your liaison. He did that and those agreements have been finalized. The primary issue was, Servello wanted to make the District responsible to provide locator services; but that was a “No”, and we modified it to Servello’s satisfaction. Those have been completed, meeting with Supervisor Bokunic’s approval, and have been sent to the Chairman for final execution.

iii Approval of Employee Handbook

Mr. Qualls stated: Changes were made between the last few meetings and I am happy to go over those briefly if you would like me to. There were several formatting changes by Supervisor Farnsworth, Supervisor Kassel has six suggestions and those were addressed.

Supv Kassel stated: Except for one.

Mr. Qualls stated: Except for one, which is the pay scale.

Supv Kassel stated: We said we would have a pay scale and there is only a starting range.

Mr. Qualls stated: Maybe we change the way it is worded, but it basically provides the starting salary and does not have a maximum salary.

Supv Berube asked: Does it not do that? Is it not a starting range and then lists increases as time goes on?

Supv Kassel responded: No, it just says *hourly starting rate, modest increases provided after 90 days, special certifications \$1, and may be entitled to an annual pay increase*. There is no salary range, as is mentioned in the actual employee policy.

Supv Berube asked: Is it a big deal?

Supv Kassel responded: My feeling is that, unless you have a good idea of what those positions are paid, we want to be competitive and want to keep the people we have. We do not want to have to keep changing people. It is expensive and time consuming. Let us know what the range is - for example the Field Operations Manager has a scale of \$40,000 to \$60,000 per year. Why should the field services position not have it, so we are not limiting our people to a scale that is below market value, which may cause them to want to move along to some other position?

Supv Berube stated: If you give a range, most people will come in and insist on the higher dollar saying, “if you will not give it to me, maybe I do not want to work here”.

Supv Kassel stated: We have a starting hourly rate.

Supv Walls stated: What you are saying is a maximum amount, so it is known. It is probably good in terms of you know what the boss makes, it is right there. You do not necessarily want to have a situation where an employee is making more than the boss; which could happen, theoretically, if you do not have a maximum.

Supv Farnsworth stated: You have a range for start. What is it we are talking about adding?

Mr. Koncar asked: Are you talking about a step plan?

Supv Berube responded: No, she wants a maximum hourly.

Supv Kassel stated: A salary range for the positions we have detailed. We have detailed all of the tasks on the previous four or five pages, we have a starting hourly wage, but we do not have a ceiling.

Supv Farnsworth asked: Are we talking about job descriptions?

Supv Kassel responded: We are talking about a ceiling for those positions; an hourly ceiling.

Supv Farnsworth asked: Are the job descriptions in here?

Supv Kassel responded: Yes. It is all of Appendix D.

Supv Berube stated: To your other concern, where you say we want to be competitive with the marketplace. We have not had a problem hiring people.

Supv Kassel stated: It is not about the hiring, it is about the keeping.

Supv Berube stated: We have had zero quits, with one exception. In the three and half year history of field services, nobody has quit, they have been released.

Mr. van der Snel stated: One staff member quit because he insisted that I give him a raise, which I did not agree to; and then he quit.

Supv Kassel stated: It speaks directly to the ceiling. I do not know all of the circumstances, but it speaks to me of our losing people because we may not be paying enough, marketwise.

Supv Walls stated: From a broader prospective, we know what these jobs do; we know what the description says. Is the rate we have in there a market rate? I do not know, maybe it is. I do not have a problem saying the max in this job is whatever that number is; because there is a market, and the market says here is the minimum people make and here is the maximum for doing

the job; and if we want to set that, I do not have a problem with that. It may change from time-to-time. I do not necessarily think you have to show it in the policy itself, but you need to have some guidelines.

Supv Kassel stated: We need to have something the employees can access.

Supv Walls stated: Most jobs have a pay scale / pay range.

Supv Kassel stated: If you get hired here you are never going to earn more than this amount.

Supv Walls stated: It is especially true in government.

Supv Berube stated: The starting rate has edged up over the years to keep track of inflation and reflect the marketplace. Wages have been going up and there have been labor shortages. If you want to put a max on, where do you want to cap it? You have to be careful with this, because if you cap it too high, some employees will use it as a weapon.

Supv Walls stated: That is not how a min/max works. You have a starting range and what we have said in the manual is: *you may get a raise if the Board says you will get a raise, and the raise may be x percent.* You are only going to move up as fast as this Board says you are going to move up.

Supv Kassel stated: If somebody goes to Mr. van der Snel and says, "*I want a raise above that*".

Supv Farnsworth asked: How long is it going to take you to get to that point? I am trying to figure out why I am putting in a maximum at this point in time. There is the starting rate, and then you can only go up at a rather limited rate. It is going to be a long time before anybody ever gets to a {*preset maximum*} level.

Supv Walls stated: The maximum may not be that far from the minimum depending on what the market for that job is. A job is only worth so much and there may be a small range there, but we cannot figure it out tonight. We need to go back and look at it.

Supv Farnsworth asked: Why is it necessary, in this document, to put the maximum in?

Supv Walls responded: It is not. There should be a separate document that goes with the job descriptions.

Supv Kassel stated: I believe the document references a pay range.

Supv Walls stated: They are in the appendices, and those will change from time-to-time as changes are made to those jobs.

Mr. Koncar stated: We are talking about establishing a market value for the positions.

Supv Kassel stated: A pay range.

Mr. Koncar stated: That is a market value - here is what the position is worth - and it can be adjusted over time.

Supv Berube stated: We have already tried that. As it was being developed, there were several attempts at going to *Glassdoor* and looking at market ranges. We are in a unique position with these particular job descriptions as we found with our workers' compensation rating. We gave the job descriptions to FRM and they coded them to cover a wide ranging all encompassing deal. I hate putting an upper target on there because it becomes just that, a target. I am very comfortable with the way it is written. I like the end result of the way this book looks. We have gone from a bunch of sheets of paper to a professional looking document that you will be able to hand out.

Supv Farnsworth stated: When I went through it I came up with four things. One has been addressed; it was the duplication of the appendices. In the forms included, two of the forms are an online fill-in-able form; the rest of the forms are not that way. My request is to either make them all fill-in-able or change the two back so that none can be filled-in electronically.

Supv Berube stated: Print everything on paper and fill it in to go in the employee file.

Supv Farnsworth stated: Eliminate the electronic capability.

Mr. Qualls stated: Those are the FRM forms - do you know how to do that?

Mr. van der Snel stated: I have the original FRM forms. When I open them in PDF I can fill them in.

Supv Farnsworth stated: If I cannot convert them, I know I can duplicate them.

Mr. van der Snel stated: After it is printed and signed, it is scanned in and sent to FRM.

Mr. Qualls asked: Would you be willing to send them to us the way you want them?

Supv Farnsworth responded: Yes. The other is the table of contents. If anybody is going to use this thing in electronic form, it is very convenient to be able to click on a section and be taken to that section.

Mr. Qualls stated: We can do that.

Supv Berube stated: This is going to be stored electronically.

Mr. Qualls stated: None of these changes are substantive.

Supv Farnsworth stated: The last is the contact. Mr. Koncar's name is repeated.

Supv Kassel stated: That was intentional; we requested it so that employees do not have to search through the entire document to find out how to contact Mr. Koncar.

Supv Farnsworth stated: I am of the opposite mindset in that all it takes is once, and where I would put it is on the very back page.

Supv Berube stated: You have to remember the guys we are hiring are not engineers like you.

Supv Farnsworth stated: They are being handed a handbook, it has a front cover, and on the back cover is all the contact information. It does not take a brain surgeon to figure that out.

Supv Bokunic stated: I would put it there too.

Supv Kassel stated: I am fine with leaving it where it is and adding it there.

Supv Berube stated: When the District Manager changes, you change it globally with the new District Manager's name and any phone number changes.

Mr. Koncar stated: Once it is in final form, I will be meeting with the employees to go over it with them. One of the forms will be that they have looked at the book, understand what is in there, they sign the form, and it goes in their file.

Supv Berube stated: If you remember the last discussion, it was that there was no structure, or easily definable spot, where, if an employee has a problem, he knows where to go. Our reaction to that was put it in everywhere so it is easy to find no matter where they are at. We are going to leave it the way it is and add it to the back cover.

Supv Farnsworth stated: What I provided is just a sample; you can make it however you want.

Supv Kassel stated: I am still not comfortable with not having a range so our wages are not too low or too high and so that the employees understand coming in they are never going to earn more than this. If they push for an unreasonable raise, it is grounds for them being gone. At least they are coming in understanding that they have the potential to grow in the position to a certain extent. If we end up not putting any kind of ceiling on then we need to take a reference out of the handbook that refers to pay scale.

Mr. Qualls stated: Just call it starting range.

Supv Kassel stated: I do not know if I am the only one who feels we have a ceiling or not.

Supv Walls stated: My thoughts were the same as yours when we put it in there. You would have a job description and it would say it starts at this much and max's out at this much. It is not part of the policy manual; it is part of the appendices.

Supv Berube asked: Who is comfortable with the wage description / policy as printed?

Supv Farnsworth responded: I am fine with it.

Supv Bokunic responded: I am neutral.

Supv Berube stated: Yes or no.

Supv Bokunic stated: I say we change it, so no.

Supv Berube stated: I am comfortable with the way it is. It is three to two. What do you want to put as a high end number?

Supv Kassel responded: I think it is something Mr. Koncar needs to work out with Mr. van der Snel.

Supv Berube stated: You are never going to get there. 50% over the starting number should be your range.

Supv Kassel stated: I think we need to be a little smarter about our research on it

Supv Berube stated: We have already done the research. They have the documentation.

Supv Kassel asked: Mr. Koncar, can you speak to this please.

Mr. Koncar responded: We have ranges for similar positions in terms of what the employees here do. What I would suggest is let me get with Mr. van der Snel and we will bring something back at the next meeting. It may be what has already been provided. Let us bring something back to close the loop and get it done.

Supv Kassel asked: Mr. van der Snel, can you comment on it?

Mr. van der Snel stated: I think it is more than fair if you get certified or you accomplish something within the function that you do, you will receive a raise. I would definitely put a cap on it, but what the guys do is very essential. Shawn has been working for us for over three years, so how do you cap him. I had the discussion with Shawn and asked him to give me something that I can bring to the Board for why I gave him a raise. By asking "*what are you going to do to expand your tasks*" is how I try to motivate staff to justify a raise. I believe in capping, but nobody is going to like it; and as Supervisor Berube said, they are going to use it as a tool - like when a former employee came in and said "*I want a dollar more or I am going to leave*".

Supv Walls stated: We are over analyzing this. It is something that is done everywhere, and you have to keep in mind how the raises are now done. They are approved by this Board. Whether they want to use that as a tool against you, which they cannot with how the policy manual is written, is irrelevant. If that is what they want to say, hand them the policy manual.

Supv Berube stated: We have suggestions from Mr. Koncar.

Supv Walls asked: Are we going to approve the policy manual tonight? It is appendices we are talking about that change from time-to-time.

Supv Berube stated: Bring back your ranges and we will add an appendix to cover maximum salary.

Supv Walls stated: There are job descriptions there; it just needs to be added.

On MOTION by *Supv Berube* seconded by *Supv Kassel*, with all in favor, the Employee [Policy] Handbook was approved, as amended, subject to salary caps being provided.

C. Field Manager

i. Facilities Maintenance

The monthly highlight report is contained in the agenda package and is available for public review in the District Office during normal business hours, or on the website.

ii. Facilities Usage

Submission accepted without discussion.

iii. Facebook Report

Submission accepted without discussion.

iv. Pond Report {Hydrilla Update}

Mr. van der Snel stated: We purchased the chemicals and they are ready to go. We got some feedback from the salesperson and he was not really happy with the way we went. Depending on the weather, we are going to start in February. It will be applied on Cherry Hill pond and between Middlebrook and Feathergrass.

Supv Kassel stated: I thought I saw an invoice that we had bought it. I thought we discussed the last time that we were going to treat immediately.

Mr. van der Snel stated: The plan was February. If it is too cold when you put it on, it is still dormant. It dilutes the product and it will not be effective. You have to hit it when it starts growing. I do not think the invoice has been processed yet.

v. Pressure Washing

Mr. van der Snel stated: We have a video. We started our pressure washing at the dog park and the device is really working well. It uses diesel to heat the water and we calculated that

four 200 gallon tanks of water will need 10 gallons of diesel. We got started later than expected because of a personnel change.

Supv Kassel asked: Because of what?

Mr. van der Snel responded: A personnel change; I notified the Board.

Supv Kassel stated: I have not heard about it.

Mr. van der Snel stated: I sent the Board an email about Mr. Costa.

Supv Bokunic stated: A while ago.

Supv Berube stated: A month ago. He left between December and January.

Supv Kassel stated: It sounded like we had a personnel change today.

Supv Berube stated: A month ago; that is why they were delayed in getting this started until another person came onboard. This is the sidewalk scrubber.

Mr. van der Snel stated: It goes fast. Again, the heat really works.

Supv Berube stated: The operating expense is hard to tell on a linear foot basis. You are using a little bit of water and some gasoline and diesel fuel.

Mr. van der Snel stated: The water is ground water so there is no cost; it is only the fuel.

Mr. van der Snel asked: Do you have any questions or concerns?

Supv Berube asked: Do we have a guy assigned to the pressure washing one or two days a week?

Mr. van der Snel responded: For the startup I had two guys, which you need because of the hoses, for 16 hours for now. We are going to do the pocket parks first, as they seem to be the worst, and the sidewalks on the outskirts.

Supv Berube stated: This is hot water and hot equipment; do you have safety equipment for the guys? Insulated gloves and boots?

Mr. van der Snel responded: They have boots. Gloves are available and they are wearing them. They have a lot of experience with the material because they both worked night shifts at Disney and it was all they did.

vi. Dog Park Issues

Supv Kassel stated: For the dog park I am still lobbying for paving stones. I think it is the best solution, and a permanent solution. I saw that the area had been seeded and I do not think it is going to survive for more than a few weeks after the grass gets established. It is wintertime now

so it is harder because the grass is dormant. If we have that area people can sit back under the pavilion and the dogs can play there without creating a dirt hole.

Supv Farnsworth asked: Are pavers better than AstroTurf?

Supv Kassel responded: Much.

Supv Farnsworth asked: Why?

Supv Kassel responded: For a few reasons. Number one, the dogs run at 25 mph on that with their nails in curving motions jumping, leaping, they are going to displace it and put holes in it with their nails.

Supv Farnsworth asked: Will they still run on pavers?

Supv Kassel responded: Yes, and they will get just as much grip on pavers. It is going to be better - it will allow the dogs to not get dirty, it will not get torn up, it will be an impervious surface that still lets moisture below. There are pavers there already around three sides, because the structure does not have any gutters and when it rains the water would come down in sheets off of it and create mud around three sides. The dogs would play in the mud and dig in the mud and it is why the pavers are there and they work.

Supv Berube stated: Your concept is you want to put pavers extending out from the front of the pavilion heading towards Cat Briar.

Supv Farnsworth asked: In an arc?

Supv Kassel stated: Exactly.

Supv Berube asked: How far out do you want to go?

Supv Kassel responded: At least 12 feet.

Supv Berube asked: What happens when the pavers run out and the dogs run again on the grass? Why do we think when the dogs exit the pavers onto the grass that the grass will not get torn up there?

Supv Farnsworth responded: Anything there is going to have a boundary someplace.

Supv Kassel stated: The reason that area is torn up so badly is because people sit there and where people sit is where the dogs stay around. If you go out to the end of the park your dogs are going to hang out with you there. Those benches are stationary and not moving. If you provide a play area near those benches, it is where the dogs are going to spend most of their time. In the 13 years I have lived here, the area has never been so ripped up as it is now, but it is because more people are using the dog park at the same time. There is a lot of dog play and the

dogs like the dirt. Where they are going to play is that half moon, for the most part, sitting in front of where their people are.

Supv Berube stated: We have grass growing there, you seeded it, I saw the hurricane fence up. How about if we do this, since we have already made the investment in the time and materials; let the grass grow, finish it up, pull the fence down, and see what happens.

Supv Kassel stated: It is going to be three or four months before that grass grows. It is dormant now. It will not be until the end of March until it starts growing.

Supv Berube stated: Where I was going is, if the dogs tear it up, we will make a decision then. I do not disagree with putting the pavers down, but I hate to throw away the investment in time and materials we have already made. If they tear it, they tear it up, but I hate to just say it is going to get torn up and throw it all away now. Fair enough? Let it grow and see what it does.

Supv Kassel responded: I understand your point and to some extent I agree with it, but people go to the dog park every single day, so now you are making them wait 160 days until something gets done and those benches are pretty much unusable because people want to be with their dogs.

Supv Bokunic asked: What is the hold up on us doing this?

Supv Kassel responded: He does not want to waste the money.

Supv Bokunic asked: How much money are we talking about?

Mr. van der Snel responded: I have to get a quote.

Supv Bokunic asked: Can we at least look into and get a quote?

Mr. van der Snel responded: Yes, it will be about \$2,000.

Supv Bokunic stated: You are there and know it better. If you think it is going to solve it, then we should look at doing it.

Supv Kassel stated: The other thing is when the gates were changed, the new hinges / closers were switched so inside the small dog park when you come in now on the right side instead of the left side. On the left side are pavers and when people would come in and out the pavers would prevent a muddy place. Now the opening is on the right side and a mud pit. The pavers need to be moved to the other side or pavers added to the side where there is an opening.

Supv Berube stated: It can be added to the quote he is going to get. Does the problem exist at any other gate?

Supv Kassel responded: I usually come in that gate and do not look at the others. It is worthwhile looking at them.

Supv Berube stated: Look at all the gates and include paver access to the gates swinging into the quote for the pavers in front. You have used American Outdoor Living, if I remember right.

Mr. van der Snel stated: I do not know. I can shop around.

Supv Berube stated: He did the work at the Ashley Park pool when we tore that up.

Mr. van der Snel stated: I can shop around. On the arc, would you like it to start at where the drain is now?

Supv Kassel asked: So that the arc goes from the concrete pad on the left all the way around?

Mr. van der Snel responded: Yes.

Supv Kassel stated: Good with me.

Supv Berube stated: Most of the cost on small jobs is mobilizing; adding square footage is minimal.

Mr. van der Snel stated: I have convinced Lennar to fix the pocket parks. It was quite a challenge, but they gave in. Mr. Brock Nichols really helped. They are going to re-sod the pocket parks next week with Bahia.

Supv Berube stated: You are referring to H-1.

Mr. van der Snel stated: Yes. I am still working with Richmond for H-2. They are a little tougher, but they are getting to know me better.

Supv Kassel stated: H-2 is worse.

Mr. van der Snel stated: It also involves concrete sidewalks and the park in between. It is going to happen, it is just taking a bit more time.

Supv Beube stated: While you are upgrading parks, at the end of the new Butterfly Park sidewalk where Butterfly Drive blends into Ducks Guide down by the trail, there is a tree or bushes where somebody drove a truck up into it. You can see the tracks. It has been that way for months with the construction going on. It is going to be finalized soon with the trees that need to get fixed.

Mr. van der Snel stated: I can rake it out quickly.

Supv Berube stated: The bush is in pretty tough shape. I think we could spend a little money there. We are going to have brand new trees and sidewalk and that bush is what you would call toast. It is a small amount of money, make it look pretty.

Supv Farnsworth asked: What is the status of the water fountain at the dog park?

Mr. van der Snel responded: We put it in yesterday.

Supv Farnsworth stated: I looked at it today and it was just dribbling.

Mr. van der Snel stated: I still have no water in Town Square. First there was water and I wanted to shut it off, and find the shut off. Now there is no water and I am asking them where did you find the shut off and they will not tell me. We took the fountain off of Town Square and moved it to the dog park. We have to order the insides of the fountains. One is \$2,500; so I am trying to gut it out and put new guts in, and that is what we are trying to do now. However, since there is no water in Town Square, we transferred the one from there to the dog park.

Supv Kassel asked: Why is it dribbling?

Mr. van der Snel responded: We just put it in yesterday and Mr. Scarborough figured out it is dribbling so we need to figure that one out also. It never had water in Town Square, so we did not know it was bad.

Supv Farnsworth stated: I pushed on the button and nothing happened and the upper portion is just sitting there dribbling.

Mr. van der Snel stated: It is still too good to throw out, because new ones are expensive to buy, and I do not want to spend \$5,000 on new fountains if I can still refurbish them.

Supv Berube stated: The water here is not plumbing friendly; it is corrosive and eats up the pipes.

Supv Farnsworth stated: That is fine as long as you can rebuild it.

SEVENTH ORDER OF BUSINESS

District Manager's Report

Mr. Koncar stated: If you will recall we had discussion at the meeting about Servello and communication. We held a meeting with the Servello team, we went over communication, how we are going to communicate, what we are going to do. I think we had a good meeting; we had an understanding about how we are going to do things, and the communication going back and forth with Mr. van der Snel, myself, and the Servello team. I think we reached a good conclusion with Servello and now it is just a matter of moving forward and putting whatever happened in the past, in the past. I will be working with the Servello team, as well as Mr. van der Snel, on what we do as we move forward.

Supv Bokunic stated: It is good to hear that.

Supv Berube asked: From the Field Manager, who has been watching this everyday, what do you think of Servello's performance?

Mr. van der Snel responded: After the January 11th meeting, I have decided to step back a little and be more on the sidelines, which I think is a blessing in disguise. They have not been mowing for three weeks, because I have told Mr. Miguez it is too cold and you do not want to mow when it is not needed, so spend the time on detailing; and that it is pretty much what they are doing now. As you look around, they are detailing the ornamental grasses. They are more active in detailing since they do not have to mow; and, with my approval, they have only been mowing hot spots that really need to be mowed for the last three weeks.

Supv Bokunic asked: How do you feel about the communication?

Mr. van der Snel responded: What we agreed upon this afternoon is that all verbal communication will be minimal. The Tuesday meetings I used to have with Mr. Miguez will only be on paper. He is going to email me his concerns and I will email it back. They requested less use of text and more use of email because it is easier to distribute, and that is what we agreed upon. I have told CDD staff not to interact with Servello staff, only as needed; and if there is an issue, to contact me directly. What we are trying to do is create a different way of communication which is more comfortable for everybody and leaves no confusion in the future. Hearsay was the big issue, and we will not have that any more.

Supv Bokunic stated: It has only been a couple of weeks, but how do you feel it is going?

Mr. van der Snel responded: I was very relieved. They are more on their own now.

Supv Kassel asked: How are they performing?

Mr. van der Snel responded: They are only doing detailing. I think they can use some safety classes, because I still see people in the back of a trailer; but it is Servello's responsibility and is pretty much the micromanaging they did not want anymore.

Supv Bokunic stated: Pass it along to the District Manager.

Mr. Koncar stated: I think one of the key things to come out of today's meeting is the form of communication is going to be better and is going to involve Mr. van der Snel and myself, not just Mr. van der Snel. In other words, we are not going to have the conflicts we had in the past, if there are issues we are solving them on our level and not coming to the Board to have a knock down drag out, my words, like we did the last time because that is not how it should happen. We will solve it on our level now and make sure they are on track.

Supv Farnsworth asked: Are they going to be putting together a table or spreadsheet or something that you will be able to tell whether they are truthful in what they put down that they have done?

Mr. van der Snel responded: They are going to report directly to the Board. If I see anything they put in that is not true, I will notify the Board at the meeting to say this is what I found and this might be incorrect.

Supv Berube stated: The way it will work is, the report will be submitted to Inframark and they will incorporate it into the meeting package. When the agenda package comes out, you will see it and have time to edit it, then let us know if it is accurate or not.

Mr. van der Snel stated: It will not be influenced before the report comes out.

Supv Farnsworth stated: I was not meaning it would be, but if you see a list of things they claim they did, you will be able to tell if it is honest.

Mr. van der Snel stated: Yes.

Mr. Koncar stated: We made sure they understood we do not want to get things at the last minute. We want things 10 days ahead of time so it can go into the agenda package, there is chance to review it, and we can give a factual report at the Board meeting. This throwing things at us at the last minute is not working. We want to make sure it gets to us 10 days ahead of time; and we will be working with the other vendors for the same thing.

Supv Farnsworth asked: Is their contract still outstanding and not yet signed?

Mr. Qualls asked: The underlying maintenance contracts? No, it remains effective and they did send the letter withdrawing it.

Supv Berube stated: They rescinded the cancellation of the contract.

Supv Farnsworth stated: I want to get a copy of their contract.

Supv Berube stated: The District Manager can send you that.

A. Financial Statements for December 31, 2017

Consideration combined with Invoice Approval.

B. Invoice Approval #213, Check Register and Debit Invoices

Mr. Koncar stated: The financials are in your backup. We would like to have approval of the financial statements and invoices, unless there are any questions.

On MOTION by Supv Kassel, seconded by Supv Bokunic, with all in favor, Invoice Approval #213, the check register and debit invoice were approved.

Mr. Koncar stated: We had two follow-up items from the previous meeting. One is that Inframark was requested to provide a cost estimate for doing payroll as well workers' compensation. We have the payroll numbers and are waiting on a quote for the workers' compensation. We will report back as part of our follow-up notes from the meeting giving you some numbers on that.

C. Facility Usage Application

i. Soccer Club of St. Cloud for Practice and Scrimmages

Mr. Koncar stated: At the last meeting we discussed the request from the Soccer Club of St. Cloud. Mr. van der Snel and I have communicated with them and followed up on the Board's questions. They have answered all the questions and we are waiting on payment and ready to move forward.

Supv Kassel stated: They agreed with the payment schedule we offered.

Mr. Koncar stated: It was the schedule, removing equipment from the facilities area every night, and the payment. We have confirmed that they have agreed to all three of those.

EIGHTH ORDER OF BUSINESS

Topical Subject Discussion

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Supv Berube stated: That reminds me that we put off the sod replacement with Servello. When are going to get tight for time; so would the Board agree that we have thousands of square yards of sod that have to be replaced, including the soccer field, and probably the Neighborhood G soccer field. Would the Board agree to have Mr. van der Snel ask Servello to do the measurement and bring a proposal for sod replacement to the next meeting?

Supv Farnsworth asked: Would it be different than what they gave us before?

Supv Berube stated: The square yardage has changed. We held off the lack of sod available.

Supv Walls stated: I thought that is what they were going to go back out and look at it.

Supv Berube stated: We did not tell them to do it yet, so remind them of that. I think to make it easy, one number for Neighborhood G, another for the soccer field, and the third for St. Augustine replacement throughout the rest of the community. The reason for that is I think we are still negotiating with Davey and one of their lawyers said, “*We have not seen proof that you have replaced all this damaged sod that you said was wrecked*” and “*we are going to need some documentation*”.

Mr. Qualls stated: The ball is in their court right now. You have, per the contract, withheld the offsets. They fired off a letter and we fired one back, and we have not heard anything back.

Supv Berube stated: You know, silence is not always golden. My point is, if we are going to start replacing sod, we need to document what we are spending, because we had certain allegations as part of it.

Mr. Koncar stated: We are moving forward with the tree trimming contract as we discussed at the last meeting. They wanted the 40% upfront.

Supv Berube stated: He covered it already. We had conversation about the payment for OUC and streetlight buyout. I think you told me you have copies of the contract, checks have been issued, and OUC is done with the last group of buyouts at this point.

Mr. Koncar stated: It has been taken care of and they have received their final checks on it.

Supv Berube stated: We have spent a lot of money in the last few months. We had the paving contract, the three Servello contracts, the finalized payment going on, and the pool. Is anybody aware of anything else? This is all going to hit the budget.

Supv Kassel responded: Another big one is the work we did in Butterfly Park.

Supv Berube asked: Is there anything else outstanding? This can get out of control, but I think I just covered the three big ones.

Supv Walls responded: If we do more paving, it is going to be expensive.

Supv Berube stated: I understand. I am talking about stuff we have open right now. I cannot think of anything else in-process, finished, or just starting.

Supv Kassel stated: One thing the survey showed, everyone wants a community center; we need one. The subject has been broached vaguely before. There is an opportunity to do something at Parcel G. I would like to take the temperature of the Board on whether we think about it or avoid it and let the land go somewhere else. This is going to be our last opportunity to act if we have any intention of acting.

Supv Walls stated: My concern is that the people with the land seem like a bunch of jokers. The way they come in here and throw out these numbers and stuff. If you want to get down to it, we have to get some appraisals. You have to have people who know what they are doing with structuring these deals.

Supv Kassel asked: Does the Board have any will to start thinking about this at this point?

Supv Berube responded: For those who do not know this meeting room changed Monday from \$0 to \$350 per meeting, which is absurd, but we do not have a lot of choice; we have to have the meetings. It applies to both the HROA and the CDD. This went right up my back and I had a meeting with Mr. Fusilier today and explained our concerns. He has some rightful concerns about the use of the building; he spent a lot of money here and has to make a profit. To his point, we do not want this company to go out of business, and we want the golf course to survive; but at \$350 per meeting, it is very expensive. There cannot be any meeting on Monday or Tuesday nights because they are closed and they want you out by 9:00 p.m. so that they can close down the room. There are two factions that want to use the room - one being the HROA for a number of meetings per month, and the CDD. I know what is going on with both organizations, so what I presented to him was coming up with a package of consolidating the meetings. As you know, the HROA meetings are on Wednesday night and the HCDD meetings are on Thursday night, and consolidating them would let him set up and take down the meeting room one time, rather than two times for the monthly cycle. Then the HROA meetings for the Design Committee, Covenants Committee, and whatever other HOA meetings we want to have, would have to move from typically Monday and Tuesday nights into the Wednesday / Thursday night timeframe. What I have to do is consolidate and give him a meeting schedule for him to look at and figure out what he thinks his costs are; he will then give us a price based on the consolidated meeting schedule.

Supv Kassel stated: I understand, but it only addresses the public meetings. It does not address the fact that we do not have a community center where the Book Club, Photo Club, Nature and Animal Committee, or anyone else has the ability to meet.

Supv Berube stated: I understand. Where I was going next is, we would know what our costs for meetings are here. The other possibility is, there is a community center down the road; but we ran out of time today. We will have a fixed cost for holding meetings. As you analyze the community center, you will know if you have a community center where you can hold meetings; and admittedly, the meeting costs are a small piece of the cost structure, but they still have to be

entered in. When you do a presentation of what you are going to use a community center for, we can use this at no cost for all the meetings. It is one piece, the cost of the land, the cost of the maintenance, we have seen that analysis. I am in favor of building a community center, but I do not want to do it and raise the dues; because, as you saw, there are a certain amount of people who said “*do not raise my dues*”. This goes to Mr. LeMenager’s point earlier that {*starting next year*} we are going to be seeing up to \$300,000 per year flowing into the budget. I am in favor of having a community center. I think it leaves a lasting mark, and there is a desire here for one.

Supv Farnsworth asked: What are they using the {*Welcome Center*} building for?

Supv Bokunic responded: Fusilier is trying to sell it. He started off at \$600,000 and he put it on the market for \$1.29 million. Let me throw something else into the mix as we plan and think. We have a church that meets at the high school, and the church really wants to be in Harmony property. We were in negotiations to buy the Welcome Center; then other people got interested and they started raising the price. It is not an ideal facility, but it would work for us for now. Our original thoughts were, we would come to the HOA & CDD to say “*we are only using this Sundays and Wednesdays, why don’t you use it the rest of the time*” and work out a lease agreement. We can do that one way or we can do it in reverse. If we want to build something, you will have a tenant {*the church*} that is used to paying a few thousand bucks a month for two days a week.

Supv Berube asked: Is there a usage fee at the school?

Supv Bokunic responded: Yes.

Supv Berube asked: What are they paying?

Supv Bokunic responded: \$1,500 or so.

Supv Walls stated: This is all a lot of hypothetical stuff. What we need to do, instead of sitting here hashing it out, is get a professional to come in to look at our options and determine what they are going to cost. We are going to have to finance it somehow, know what the financing will be, and what it will add to assessments, all the way down the line. There is a lot of stuff you have to think about - CDD fees, how much does it take off the books, how much does it put on the books, maintenance, etcetera; we cannot figure that out sitting here. We need some professionals who can come in and do it.

Supv Kassel stated: The question is, does the Board have the appetite to start looking into this.

Supv Walls stated: What I am saying is that we should, but we need to take our time here and not be driven along by these yahoos who say I have this land and I will sell it to for \$1 million.

Supv Berube stated: The answer is yes.

Supv Kassel stated: My concern is that Fusilier owns the parcel; the only available viable parcel that we could do something on and they move fast. If we do not start doing something to look into it, make noise about it, and start expressing an interest, that parcel may get sold to builders for development.

Supv Berube stated: It is not going to be sold to a builder; not at this point. He has a lot of other stuff on his table. My impression of him is, if his price is X amount of dollars and you come in significantly under that but are willing to write a check and buy right now, he is going to sell to you. He is a wheeler and dealer; he is in real estate. We need to think about whether we want to hire a consultant to provide us an avenue of what we need to know about a community center.

Supv Bokunic asked: Why would we not be interested in buying the Welcome Center?

Supv Walls responded: I do not think it works for this purpose.

Supv Kassel stated: I do not think it has enough open space to have a CDD meeting. We would have to break down walls and do a lot of other work.

Supv Bokunic stated: It holds about 100 people.

Supv Berube stated: I was there today and looked at it. In the big room where they have all the pictures, you could squeeze in, but the problem would be the head table like this would encroach on the room. I walked it off and you could fit 50 chairs, a board table and a limited amount of experts, but it would be a tight fit at 50 people.

Supv Kassel stated: If we are going to purchase anything it needs to suit all our needs. If we purchase it, we would probably need to do \$500,000 of refurbishment on it.

Supv Berube stated: Something else to consider, and this goes to the consultant again, we have CDD field services guys sitting in a trailer that is now 15 years old. We have a lease agreement on the land for \$1, but at some point the trailer is going to be kaput. We have equipment and everything there, so if we are going to build a community center, we should think about having it designed in such a way that the field services office can be in there, with some equipment storage on the back side of the building, rather than the way we have it now. It is something to consider as we go down this road. Is everybody onboard with setting the District Manager on the mission of finding us a consultant based on our discussion tonight?

{Board members visually polled.}

Supv Berube stated: The consensus of the Board is yes.

Supv Kassel asked: The purpose of the consultant is exactly what?

Supv Berube responded: Determine the feasibility of a community center based on our discussions, the market value of the land, and how much it would cost to build it with a meeting room for 100 people and housing for the field services staff.

Supv Kassel asked: How many square feet are we talking about?

Supv Walls responded: That is what a consultant will tell you.

Supv Berube stated: When Mr. Koncar finds a consultant, the consultant will come back to ask how many people do you want it to hold, how many square foot of staff area do you need, how much storage area for equipment.

Supv Kassel stated: I am trying to answer some of those questions now.

Supv Walls stated: We cannot think of all the questions.

Supv Kassel stated: Some of the questions are more crucial to getting some research done than others.

Supv Bokunic asked: How big is Parcel G?

Mr. Boyd responded: I do not recall the exact acres of the tract, but I can find out. It will dictate some of the results because we are going to have to address questions from the County.

Supv Berube stated: The first step is going to be zoning.

Mr. Boyd stated: It is mixed-use already so I do not think zoning is going to be a problem.

Supv Berube stated: This is not going to be mixed-use, it is going to be commercial.

Mr. Boyd stated: Mixed-use zoning allows commercial or residential.

Supv Berube stated: We have the basics and Mr. Koncar has the charge here to find a consultant. You have the basic answers as to what we are looking for, bring it back for next month and we will expand on this and decide where we need to go with it.

Supv Farnsworth stated: For the Engineering Report the zoning for H-1 and H-2 is wrong in the chart.

Mr. Boyd stated: Let me address the map - it is from the Engineer's Report and the purpose of the report is to describe the District for the purpose of bond financing when the District initially started. It is not unusual that the map would be old and out of date because it is not intended to be a line map that is continually being updated. If you would like me to update the Engineer's Report we can do that.

Mr. Koncar asked: Do you know the last time the Public Facilities Report was updated?

Mr. Boyd responded: I do not.

Supv Farnsworth stated: This one was 2012.

Mr. Koncar stated: Normally, it is every five years that you do a Public Facilities Report.

Supv Berube stated: Five and half years, here we are.

Mr. Boyd stated: We can take one of the maps you have recently prepared and insert it into the Engineer's Report.

Supv Berube asked: Did we not do that when we did the contract for Servello for the CDD maintenance?

Mr. Boyd responded: No, that is an old map.

Supv Berube stated: This is a public facilities map and the map we used for the Servello maintenance contract is basically this, but updated to be more accurate.

Mr. Boyd stated: Yes. We have a correct map it just has not been inserted into the report.

Supv Farnsworth stated: When you go looking for something like this, the red is zoned for commercial, but that is not true.

TENTH ORDER OF BUSINESS

Adjournment

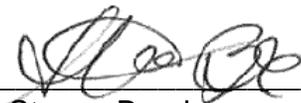
There being no further business,

Supv Berube MOVED to adjourn and Supv Bokunic, seconded the motion.

Mr. van der Snel stated: Ms. Burgess and I are working with FEMA, and it is going to be \$20,000 to \$25,000 that we may get back.

On VOICE vote, with all in favor, the meeting was adjourned.


Robert Koncar
District Manager / Secretary


Steven Berube
Chairman