

MINUTES OF MEETING

HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, April 28, 2016, at 6:00 p.m. at Harmony Golf Preserve Clubhouse, 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Assistant Secretary
Kerul Kassel	Assistant Secretary
Mark LeMenager	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Tim Qualls (<i>via telephone</i>)	Attorney: Young, van Assenderp & Qualls, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Amber Sambuca	Harmony Development Company
Bob Glantz	Harmony Development Company
Bill Kouwenhoven	Harmony Development Company
Garth Rinard	Davey Commercial Grounds
Gerhard van der Snel	District Staff
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

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

Mr. Berube called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments

Ms. Kassel stated I have comments from two residents who could not be here tonight who wanted to express their concerns. The first comment is from Mr. Shaun Neale who lives on Schoolhouse Road. He says, "*Since I cannot offer my view on the subject in person, I wanted to ask you to add us to a list of residents against the removal of the No Fishing rule by the CDD. In addition to the travesty that occurred in the Dark Sky pond the other day, which has been well covered on the forums, I would like to add that the number of cars parking in front of our house to fish since those signs were taken down has increased ten-fold. The majority are non-Harmony residents. Some appear in the middle of the night for night fishing, which I find extremely troubling. We have seen an increase in vandalism of the docks and litter left around the ponds as a result. I have had*

to pick up cigarette packets, beer cans, used fishing gear, and plastic dropped on the curb before the wildlife get to them. On one occasion, there was even a broken cooler left on the curb. I was against the ban being removed then and even more so now. Even if not technically enforceable, those signs acted as a deterrent, and their removal sent a signal to non-residents to come on in and use our CDD amenities that we pay so much to maintain.” I have a message from Ms. Christi Garrison who said, “I want to know if the CDD fees are being raised in the two new communities, F and H, and if we have already closed, can you raise them more than the 3%? Also, I think it is unfair to raise F neighborhood because we do not own land in H. If the CDD wants to raise fees, why not make everyone even except the Estates. We all have the same amount of land, but the Green area and also the older areas have parks, dog parks, walking paths, and decorations that the new area does not have. Why are our fees being raised? I want it known that not only I but other people think it is unfair to raise the fees in only two neighborhoods. I think it would be more fair to raise everyone’s to match, so no one pays less or more. This is what our attorney suggested we do rather than take it to court and fight that. Everyone needs to give and take.”

THIRD ORDER OF BUSINESS

Approval of the Minutes of the March 31, 2016, Meeting

Mr. Berube reviewed the minutes and requested any additions, corrections, notations, or deletions.

Mr. Berube stated this will include three revisions via email.

Ms. Kassel stated there were two sets of corrections: one from Mr. Farnsworth and one from me.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the minutes of March 31, 2016, meeting, as amended.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Landscaping

i. Davey Tree Monthly Highlight Report

The monthly landscape maintenance report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Rinard stated it has been a busy month. There are a lot of activities taking place, such as the mowing, detail work, spray work, and installations. This is a transition period.

We have gone from the wet to the dry. Irrigation is at the forefront of everything. I know that Mr. van der Snel and his staff are working diligently to stay on that. On the whole, we are in a good spot. We do not have any major issues. Tree work continues along Schoolhouse Road. We are about to turn the corner and move down Cat Brier. Everything else is on track. Mr. John Rukkila met today with Ms. Kassel to discuss the transplants on the salvia. My understanding is that will be moving forward on Monday.

Ms. Kassel stated that is correct.

Mr. Rinard stated outside of that, everything is standard.

Mr. Berube stated I think you know that last month, we decided to start finalizing the contract as we approach contract renewal. There were two items that you wanted included in that contract. One was an onsite arborist.

Mr. Rinard stated a master certified arborist on staff.

Mr. Berube stated I am looking to Ms. Kassel because she is handling the contract negotiations. The second item that you wanted was addressed in our emails. The third item is that we need verbiage that basically says that Davey is responsible for the life of all plant materials, specifically sod, unless they have notified us, in writing of a water problem. That is the way the contract is written. It is designed for treatments to take place all year long to eliminate fungus, bugs, and so forth. Davey has been here for three years, and it is time to end the finger pointing as to sod quality. The only thing that we should be responsible for sod life is irrigation. We have gone back and forth during the last couple of weeks with pictures of hot spots so that Mr. van der Snel and Mr. Jeff Clark, the golf course maintenance manager, can respond quickly to our hot spot areas.

Ms. Kassel stated one thing that you just said was old plant material and then you spoke about the sod.

Mr. Berube stated specifically sod.

Ms. Kassel stated there is a lot more plant material.

Mr. Berube stated I understand that. The big item is the sod because with annuals, they are going to disappear in a year anyway because if it has been there for 11 months, it can die. Perennials may be a different. I think you know where we are going with this verbiage. Davey has responsibility to keep everything alive. My big deal is with the sod because it gets expensive when you have a high expense for sod that will die for whatever reason. We replace the plant material and update it every so often. There needs to be

some verbiage in there. I do not think you would disagree with this. They should be responsible for the sod unless we have been notified that water is an issue. We are running into that right now, as some areas are dry.

Mr. Rinard stated conceptually, we are on the same page.

Ms. Kassel stated it would be for the sod and any purchase order agreements that we have with Davey, and we are receiving replacement of plant material on an ongoing basis.

Mr. Rinard stated warranty-related items.

Mr. Berube stated that verbiage should be added. We are contemplating going for years. Sod gets replaced for any number of reasons. I know that water usage has increased this month because it is hot and we increased the water to handle hot spots. Mr. Clark has also been monitoring the best he can, but there have been other emergencies. Mr. Clark, Mr. van der Snel, and I had this conversation regarding hot spots. We understand.

Mr. Rinard stated I understand.

Mr. Berube stated there has been a change with Mr. Rukkila not being on property as much. There has been a change in daily supervisory responsibility. It was very quickly noticed. Before when Mr. Rukkila was only here a couple of days per week, I noticed things starting to change. I realize that when you have a supervisory change, there is going to be a learning curve. It seems to me that it has been going on for five to six weeks, and I am not sure that we are getting the same level of service we were before. I am not trying to pick on Mr. Alfredo Ortiz. I understand the change, but we are going to watch this more carefully. There have been declines in some areas. There are a lot of guys working. I understand. I think there has been a reaction to my complaints and Mr. van der Snel's complaints. There is now a weekly drive-through with Mr. Rukkila and Mr. van der Snel. We noticed. We complained. There has been a response. Mr. Rukkila did a good job. I am not sure where this is going to end up.

Mr. Rinard stated as you said, we addressed that about three to four weeks ago. We came to an understanding about what Mr. Rukkila's and Ortiz's roles are. At the end of the day, we are committed to Harmony and to making things work. If there is any feeling about the overall quality during the timeframe you referenced, I do not know if it is completely on them. It may be partly seasonal, as well. We recognize that and hear you.

Years ago, from a staffing level standpoint, we have been addressed and responded. That has not changed.

Mr. Berube stated overall, the place looks good. It is probably better, as Mr. LeMenager commented last month, than it has at this time of the year in a long time, but there are certain details, which started to show up fairly quickly and they stood out. One of the biggest ones was people complaining on Facebook, which has never happened before about grass that is too tall or uncut. It could be seasonal with rains when we start getting these random complaints. I think you are addressing it. If that is the case and it continues to be addressed, then we have no issues.

Mr. Rinard stated understood.

Ms. Kassel stated on Davey's behalf, Mr. Rukkila was gone for all of February.

Mr. Berube stated I understand but February is a dormant month. I started noticing problems in early March.

Mr. LeMenager stated I think the record will reflect that every year until now, you have complained rather vociferously at the March meeting about how the place looked, and you did not make those comments.

Mr. Berube stated I held my tongue last month because we had already addressed it and there has been a response.

Ms. Kassel stated I forgot to mention to Mr. Rukkila earlier because our focus was on the salvia. As I was doing the nesting survey earlier in April, as I was walking through the Town Square, I noticed that a number of oak trees on the west side of the square, as you are walking down the square from west to east, do not look very healthy.

Mr. Rinard stated they have been slow to come out. You will also see that with the sycamores around town. They are slow to come out.

Ms. Kassel stated they looked like they had a lot more parasitic life on them. In other words, their immunity was low and they were suffering.

Mr. Berube asked is this the same area where we lost some trees a couple of years ago?

Ms. Kassel responded yes. That is why I am pointing it out.

Mr. Rinard stated we will assess them and see what is going on.

Ms. Kassel stated thanks.

Mr. LeMenager stated I wanted to compliment Davey for the artisan they have who is trimming the trees on the main street. He is clearly the best guy who has worked on our trees in Harmony.

Mr. Berube stated he took a lot out of the trees and they do not look butchered.

Mr. LeMenager stated he is fabulous.

Mr. Berube stated I agree.

FIFTH ORDER OF BUSINESS

Developer's Report

Ms. Sambuca stated I have a few updates. I will start with the Lakes of Harmony. South Lake is the first phase past the garden. The models are being furnished in mid-May. The homes are about 90% complete. The landscaping in that neighborhood is in place, and our team will work with Mr. van der Snel onsite once we are ready for the turnover on those CDD tracts. The recreation center is under construction. The pool is being dug. The completion goal is still scheduled for September. We will be hosting a public grand opening event and will invite all residents. At the marketplace, Lee is our tenant at Evolution Nails. He has since sold his business to Ms. Javaneh Castellano, a Harmony resident. All services will remain the same with the exception of some extra hair services. Stop by and say hello. That transition has taken place and probably will for the next week or so. The corner space of Nature's Table is still vacant. We are interviewing future replacements as we speak. Regarding the clubhouse facility, we are still anticipating the golf course closure on May 9 for updated greens and bunker renovations. The golf course will be closed for four to five months for the work and grow back. The facility here will remain open and the restaurant will remain open. Parcel O, Waterside, is currently under development. The site was dirt positive. We took a lot of that dirt and placed it in site M, which is adjacent to Town Center. We are going to be restoring that area in the next few weeks, now that we are almost down placing the dirt. We will remove the silt fence that is along Five Oaks. We will be restoring that area. The development completion is scheduled for August for that parcel. Last month, at the meeting, we discussed parcel O in particular. The feedback was that there was not adequate recreation space. I would like to share an exhibit with you. We put together a proposed plan for parcel O. I can distribute the exhibit via email. Parcel O is 67 units. At both ends of the roundabout, for each road, we designed a proposed park space. The area will be fully irrigated and landscaped with shade in mind. We included a play

element in each center. We are still researching options to make sure that they can accommodate a smaller age: a two- to three-year-old, versus a five- to ten-year-old. We are looking at those options. There are also pet stations. Mailbox receptacles will be in each corner. There will be a couple of benches, as well as winding sidewalks. There is plenty of area for green space to walk around and throw a ball. We added these two elements and we are currently working on them.

Mr. Berube asked is the rear away from Five Oaks?

Ms. Sambuca responded correct. We thought about doing some space here, but with the pond, we did not feel that it was safe for families with children. We decided to designate space in each area. That way, each street has their own space. They can walk around. There is better use of the space for families.

Mr. Walls asked what is the white area in the middle between the ponds?

Ms. Sambuca responded more open space.

Mr. LeMenager stated I thought that was wetland.

Ms. Sambuca stated it may be wetland. It is not for play and recreation. That is why it is not listed. There will be pet waste stations, similar to what you will find in other areas of the community and sidewalks. There will be mailboxes, benches, and play spaces for children. This is a proposed plan that we are working on from the feedback that was provided last month. We will put that in development and should be completed by approximately September.

Mr. LeMenager stated I reviewed this with Mr. Bob Glantz this morning. We went over it in some detail. Frankly, I think it is terrific. We were happy with one park, and he is giving us two. Well done to the developer.

Mr. Berube stated Mr. Kouwenhoven is also here tonight.

Mr. Kouwenhoven responded I am here for moral support.

Ms. Kassel stated I was curious about the size, but I can see that it is bigger than the two lots next to them.

Mr. LeMenager stated I think that the park on the northeast side will be a large park. It will be a sizeable area. I can certainly see that being popular with the kids.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

Mr. Boyd stated the main reason that I came tonight was to be here to take comments and discuss the street name map. We sent a draft to Mr. Farnsworth earlier today. It still needs some work regarding the content and formatting. We are going to add pond numbers to it and make this more of a multi-purpose map that will be useful for various interests in the CDD. If you have any comments or questions, let me know. My goal is to finalize this and send it back out next week.

Mr. Berube stated you mentioned adding pond numbers. We have been using pond numbers 1 through 38 currently. Those numbers revolved as a result of the Bio-Tech contract. Those numbers were added by Bio-Tech. Last month, we had the big engineering maps, and the pond numbers are different than what we are used to. This map is going to have pond numbers added to it and will reflect the engineering maps. Going forward, we will have one number per pond to avoid any potential confusion.

Mr. Farnsworth asked will it be the numbers on here?

Mr. Boyd responded it was corrected, so the information from that map will be added to the other map, so we have a new generation map for drainage as well.

Mr. Berube stated Mr. van der Snel and staff are using those pond numbers now because we are developing a quarterly picture file of all of the ponds from the same perspective. Each picture will be identified by the pond number, and it will be every quarter from the same perspective. If anyone has any questions about what is going on with the ponds, it will be like rolling the pages and seeing a movie.

Mr. Boyd stated I have also been around the property and checked all of the drainage outfalls to the ponds. Everything is clear and working well at the present time. I could not find any obvious problems at Clay Brick Road to figure out what caused that situation.

Ms. Kassel asked has the storm drain been checked?

Mr. Boyd responded the storm drain itself has not been checked. I just looked for visible obstructions. Checking the storm drain involves placing a television camera through it. It is a more involved process. In most cases, it requires the pipe to be dewatered. I am going through that with the County.

Mr. Berube stated when I contacted the County, they just sent a sewer truck and sucked it out. There was no camera. There was a significant amount of debris, at least at

my house. I would be willing to bet that there are going to be a lot of pine needles supplemented by the leaves.

Mr. Boyd stated sometimes you get a build-up like that. When the water pressure gets strong enough, it pushes it through.

Mr. Berube stated the last few rainstorms had a significant amount of water. The other problem is mulch, as we found out with some of the drains in the ditch in neighborhood G. I do not know how much of that mulch got sucked into the drains. If we can get the County to suck those drains out, they should be able to handle it.

Mr. Boyd stated the County is looking into the Clay Brick Road issue. I do not have a good answer for you today.

Mr. Berube stated I think you saw the email exchange today between Mr. Farrell, myself, and you regarding the signed and sealed plans for the concrete path. He realized, as of today's email exchange, that we had sent him a proposal. Have you had anymore contact with Mr. Farrell?

Mr. Boyd responded I have not had any communication since the email exchange, but I will get back in touch with him to make sure that we are okay.

Mr. Berube stated you were not sure that he had received the proposal, but he said that he has one from you and he has not signed it yet because he did not want to duplicate efforts.

Mr. Boyd stated that is where we are. We had not received a signed contract from him or any authorization to proceed.

Mr. Berube asked is the next step, once he signs your proposal, on him or on you?

Mr. Boyd responded from us to prepare a plan and send to the County for approval.

Mr. Berube asked once he gives you that, what is your estimated time for preparing that for him?

Mr. Boyd responded I am going to be out quite a bit next week. It will probably take us two weeks to submit it to the County.

Ms. Kassel asked do you anticipate him signing the contract by tomorrow and submitting it next week?

Mr. Boyd responded I would hope that he would give us a signed contract tomorrow.

Mr. Berube stated he indicated to me that he had it but he had not signed it yet because he was not sure whether we or the attorney were duplicating this effort. We

clarified that, and he said that he received it and would sign it and get it back to the engineer. The attorney and you have both been involved. We are trying to bring the circle in tight and get it moving. It has been long enough. We are good.

B. Attorney

Mr. Qualls stated I appreciate you letting me call into the meeting. I had an out-of-town meeting this week in the panhandle. I have three quick items to report on. The pond consulting contract has now been executed. As just discussed, we did receive the Farrell Construction Contract executed by the contractor, after making the changes we discussed. Finally, I am working with Ms. Kassel. We reached out to Mr. Rinard at Davey to begin the process of negotiating the piggybacking off the Ave Maria CDD procurement.

Mr. LeMenager asked have we made any progress with OUC in terms of the street light buy-out?

Mr. Berube responded no. If you notice, there is a further discussion topic on the agenda. That is why nothing happened with it.

Mr. LeMenager asked has our lawyer contacted somebody because obviously this Board voted last month to contact someone so as not to delay it a month?

Mr. Berube responded yes. I will take the heat for that one because I stopped him and the manager. I will explain why when we get to that point. No one has gone to OUC yet.

Mr. LeMenager stated that is unfortunate to hear.

Mr. Berube stated I understand but there is a reason behind it. Maybe it is good and maybe it is not. I have one addendum to the pond maintenance contract. Ms. Jennifer Dwyer is scheduled to start on May 1. It is a six-month term. It was originally scheduled for February, and we are moving up to May, based on getting all of the paperwork.

C. Field Manager

i. Facilities Maintenance (Parks, Pools, Boats, etc.)

The monthly dock and maintenance activities report is contained in the agenda package and is available for public review in the District Office during normal business hours.

ii. Facilities Usage (Boats & Others)

The monthly boat report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. LeMenager stated keep up the good work.

Mr. van der Snel stated the new boat finally arrived. I was surprised to see that the motor is not on the front. It is in the back. However, it holds up well. It is more stable than the other 16-foot pontoon. That is what I heard from users. It stabilizes better and lasts longer, plus it is brand new. It is a beautiful boat.

Mr. LeMenager stated it looks popular already.

Mr. van der Snel stated we have a reservation list so anyone can reserve it. The same rules apply for this boat as the other boat. The boat says that it can carry seven passengers, but because it is made for an engine in the back, we only allow six passengers so it will not get heavy for the motor.

Mr. Berube asked have you used it?

Mr. Walls responded I took it out and it is very stable. When I was on my way back, it went 15 mph, probably in terms of the wind. When I came back, it handled the wind like a champ. It needed an electric motor.

Mr. Berube asked does this motor meet up with the performance claims that they made for it? Is it better than the current motors that we have?

Mr. Walls responded yes.

Mr. Berube asked does the battery life seem well?

Mr. van der Snel responded it works better.

Mr. Berube stated you never know sometimes when you get into this new technology. I guess we will know better in a year or two.

Mr. Walls stated the key is how it holds up. The performance is twice as good.

Mr. Berube stated if there is heavy demand, it is easy to swap out the battery for one single battery. If we were to get a spare battery and keep it charged for the high demand weekends during the summer, the battery swap may be quicker than swapping out four. We will see.

Mr. van der Snel stated the battery is a little expensive. It is \$2,500 for a lithium battery, but I would take that into consideration for the swap out.

Mr. Walls stated I was using it for a good three and a half hours, just testing it out. The battery indicator did not move.

Mr. Berube stated good. Maybe there will be no need for a second battery.

Mr. LeMenager stated it could be turned over more quickly because you will not need to charge it as much.

Mr. Berube stated exactly.

Mr. LeMenager stated excellent.

Mr. Berube stated apparently the battery life indicated is fairly prominent.

Mr. Walls stated if you know what you are looking for. It is slightly different than the other one.

Mr. van der Snel stated you get used to it.

iii. Facebook Activities

The Facebook report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. van der Snel stated the Facebook report should be for February and March.

SEVENTH ORDER OF BUSINESS District Manager's Report

A. Financial Statements for March 31, 2016

Mr. Moyer reviewed the financial statements, which are included in the agenda package and are available for public review in the District Office during normal business hours.

Mr. Berube stated in the memorandum that goes with the March financial report, there is a note about miscellaneous revenue to Toho Water Authority, formerly KUA, meter reimbursement.

Mr. Moyer stated it was for \$2,500.

Mr. Berube asked was that a meter deposit?

Mr. Moyer responded she gave me that information but did not give me the detail on what it was actually for. I will have to get that.

Mr. LeMenager stated but they gave it back to us.

Mr. Berube stated that is income. I did not know that we were due any money.

Mr. LeMenager stated perhaps we had some deposits over a long period of time and they decided to return it.

Mr. Berube stated it is off balance sheet at some point and you lose track of it. I thought we had all caught up to that at some point. Moving on to the statement of revenues, expenditures, and changes in fund balance, there is a line for settlements for \$7,864. What did we settle?

Mr. Moyer responded it is a good thing because it is a revenue source.

Ms. Kassel asked is that the money from the developer for the blending fees?

Mr. Berube responded no, that is the next line item of other miscellaneous revenue of \$7,373.

Mr. Moyer stated out of \$7,373 shown, \$4,872 is from the developer.

Mr. Berube stated so we did not get \$7,373. We received \$4,872. Last month we asked that. I thought that we billed them \$5,000.

Mr. Moyer stated you were right. We billed them \$4,872.65.

Mr. Berube stated we are still behind in billing the developer for the blending matter because we spent \$8,000. Do we know what the settlement is?

Ms. Kassel responded I thought that it was the reimbursement for the rate increase.

Mr. Moyer stated we will get you an answer.

Mr. Berube stated if it is revenue, that is great. It is just nice to know what these things are. Should we not take that legal fee reimbursement and apply that into the legal services line item to balance that?

Mr. Moyer stated we have financials through March 31, which is six months into our fiscal year. On our non-ad valorem assessments, we collected 80%, and as indicated in the notes, last year at this time, there was about 75%, so we are slightly ahead of where we normally are. On the expenses, we are in good shape. Administrative is over by \$4,994, but that again is offset in part by what we just discussed in terms of revenue. Overall, total budgeted expenditures were \$827,000 and we spent \$706,000, so we are roughly \$121,000 under budget.

Mr. Berube stated we will now be behind the curve on the blending legal matter by about \$3,000 with the developer. Do we want to separate out these fees like we did the first time and bill the developer for this difference? I am asking because it is an exercise in comparing a bill. I am in favor of doing it.

Mr. Walls stated I thought that was our direction going forward.

Mr. Berube stated so did I but here we are a couple of months later. I am saying that we did not get all of our money and if we want to continue to get the balance of the legal fees involved.

Ms. Kassel stated of course.

Mr. LeMenager stated fine.

B. Invoice Approval #192, Check Register, and Debit Invoices

Mr. Moyer reviewed the invoices, check register, and debit invoices, which are included in the agenda package and are available for public review in the District Office during normal business hours, and requested approval.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to invoice approval #192, check register, and debit invoices, as presented.

C. Acceptance of the Audit for Fiscal Year 2015

Mr. Moyer stated each Board member received a copy of audit. I will enter into the record some of the auditor's letter and opinion. On page 1, the auditor stated, "The financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities in each major fund of the District as of September 30, 2015." This is traditionally referred to in the industry as a clean opinion, which means that the auditor took no exceptions to the financial statements that we provided as of September 30, 2015. If you turn to back of the audit, there are some required reports, required either by State law or by rules of the auditor general. On page 24, there are two items that the auditor looks at. One deals with internal control over financial reporting. In the last paragraph, the auditor stated, "During our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness." Then there is another section on compliance. This is compliance with statutes, ordinances, bond contracts, and things of that nature. On page 24, the auditor stated, "The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*." The last item is the management letter, which is where the auditor makes suggestions for the Board that are not material deficiencies, but they could make suggestions on how we could make our financial reporting better. As you can see on page 28 for the current year's findings and recommendations, they had none, which is the same as last year. Paragraph 6 states that the District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. Stated in a more positive manner, since we did not meet one of those conditions, we are not in a state of financial emergency. I would ask for the Board to accept the audit and authorize that it be filed with the appropriate State officials.

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to accept the audited financial statements for fiscal year 2015 and to authorize its filing with the appropriate State agencies.

Ms. Kassel stated a resident came to me with some concerns about the work that we are having our field service guys do with going in and out of ponds and applying pesticides and so forth. There was some concern that our worker's compensation was not covering that type of activity. I would appreciate it if you would check and make sure that this activity and some of the activities that have been added to our field services are covered by our worker's compensation.

Mr. Moyer stated okay.

Mr. Berube stated before we engaged in that, I asked the attorney to check into that and he gave the all clear. You are more than welcome to do it again, if you would like. Before we expanded the scope of activities, we asked Mr. Qualls about checking our contractual relationship with FRM, knowing what we were going to potentially be doing. If I recall, you gave us the all clear for the expansion of duties. Am I stating that correctly? Is that your recollection?

Mr. Qualls responded I would have to check on that. What are we expanding into?

Mr. Berube responded specifically the pond treatment with herbicides.

Ms. Kassel stated and the hand pulling of material from the water.

Mr. Berube stated basically the aquatic program.

Mr. Qualls stated I will look at that contract. I believe that we looked into that earlier and we opined that it would not have an impact on the FRM contract, but before I fully commit to that, if the manager will allow me to look into that, I will get back to the Board as early as next week.

Ms. Kassel stated the concern was ensuring that our worker's compensation covered those activities.

Mr. Qualls stated I understand. I will confirm.

EIGHTH ORDER OF BUSINESS

Topical Subject Discussion

A. Discussion of Buy-Out Options on Outstanding Street Light Purchase Loans

Mr. Berube stated I do not do this often, but I changed my mind on what we discussed last month.

Mr. LeMenager stated that is all well and good, but the bottom line is that there was a vote of this Board. The vote was three-to-two to instruct counsel to do something. I seriously question your authority to go against the will of the Board. That being said, my vote last month was to get the process started. I fully expected that we would come back this month and start fine tuning it and perhaps take some of the other considerations on Board. Mr. Chairman, a vote is a vote directing counsel what to do. It was a three-to-two vote. If you have second thoughts afterward, I am very sorry, but I do not know that there is any real legal precedent for doing that.

Mr. Berube stated I acknowledge that. What I did was delay what we did. If you remember, there was significant discussion over which of these contracts we should move forward with.

Mr. LeMenager stated I fully expected that we would probably revisit it.

Mr. Berube stated the reason that we picked the four was for no other particular reason other than they were the next four in line. Some people brought up the fact that the return on some contracts by buying them out now was far better than what we were contemplating. When you look at the finances, that become true largely because most of these are front loaded, so if you buy them out sooner rather than later, you eliminate some of that front loading. It was simply a matter of trying to maximize our return on investment, which was the request of some people on this Board not to countermand the vote of the Board. I did not rescind it. I slowed it down to give it another shot, potentially to change it.

Mr. LeMenager stated my concern with that is how long OUC takes to do anything. It is better to actually get going with them.

Mr. Berube stated I am not arguing that point, but the return on investment should not change the direction we go. It will almost certainly exceed the difference of waiting this 30-day period.

Ms. Kassel stated you know that I voted against going with the first four in line, but I agree with Mr. LeMenager. I am not sorry for the fact that this has been delayed, and we may reconsider. What I am in agreement with Mr. LeMenager on is that you do not have the authority to countermand a vote of the Board. This is not the first time it happened.

Mr. Berube stated okay.

Mr. Walls stated we should do what we voted to do last time, which makes a whole lot of sense to me. It is what it is.

Mr. Farnsworth stated I do not agree. I agree emphatically even more so than what Mr. LeMenager said. This thing has been delayed so long that it is to the point of being aggravating. As you have frequently said, kicking the can down the road is not what you want to do. I would make the supplemental argument that by doing the buyout of the four that you set up, then next fiscal year, you set up your finances to handle the next one or two. Do not delay it. Get what you can because the longer you delay it, the more you lose. There is just no point in delaying any longer.

Mr. Berube stated that is fine.

Mr. Farnsworth stated I am sorry for getting a little emotional. Get along with it.

Mr. Walls stated this is going to take a few months to work through, and even though some of these contracts do not come up and have the availability to buy out for a few months, there is nothing that stops us from beginning to work on those right now so that the day that they do come up, we hand them the check. Then we are done, and you save a lot more money.

Mr. Farnsworth stated there is a lot more funding next fiscal year.

Mr. Walls stated no. We save a lot more money spending those dollars on those contracts rather than save a little money and spending the same amount of money on the older contracts. It just does not make sense.

Mr. Farnsworth stated you are still saving money.

Mr. Walls stated but not as much.

Mr. Farnsworth stated you are arguing about how much.

Mr. Walls stated yes, I am. I am arguing about how much money we are going to save. We should save the most money possible.

Mr. Farnsworth stated I am not going to argue with that, if you can do it. That is what I am disagreeing with.

Mr. Berube stated I did this. I apologize to the Board for slowing it down to try to get everybody's agreement on which way this should move toward maximizing the return on investments. Having said that, I did it; I acknowledge it and I apologize. The next step is if we want to hold to the vote that we took last month or do we want to change at this

point to maximize the return on investment, which was the major point of contention last month.

Ms. Kassel stated I approve the buy-out process for phase 2 I-R and Ashley 1.

Mr. Berube asked is that loan #5?

Ms. Kassel responded loans #5 and 6.

Mr. Berube stated that is exactly where I was going. The total is about \$365,000.

Mr. LeMenager asked when can we pay those off?

Mr. Berube responded now.

Mr. LeMenager stated great.

Mr. Farnsworth stated you cannot pay them off yet.

Mr. Berube stated it says April 2016 on the buy-out summary dated 2016.

Mr. LeMenager stated that is when you did the summary.

Mr. Berube stated yes, you are right. I am sorry.

Ms. Kassel stated I think it is in July.

Mr. Farnsworth stated the absolute earliest that we can pay them off is August and September.

Mr. Berube stated okay.

Mr. Walls stated that is fine.

Mr. Farnsworth stated by the time that we deal with it, we are in the next fiscal year.

Mr. Berube stated no, we are not.

Ms. Kassel stated we are almost in May. It is going to take three months for them to get their act together.

Mr. Berube stated we are going to spend the money this fiscal year. In October, we will roll again and have another \$330,000 or slightly more.

Mr. Farnsworth stated that is the whole point that I am making.

Ms. Kassel stated right and so we will be able to pay off those other ones, but our money is going farther to pay off these.

Mr. LeMenager stated we will not have the money in October.

Mr. Berube stated we can plan for it.

Mr. Walls stated but also at a certain point, if you look at the amortization tables, the way these things work, they are like mortgages because you pay the biggest interest

payment upfront, and your principal payment keeps getting bigger over time. For some of these, it will not make sense to spend a lot of money to buy out.

Mr. Farnsworth stated no. In fact, the way you complete the ratio comparison, after 220 payments, that number would actually go negative. I understand.

Mr. Walls stated all I am saying is that we want to buy out the newest ones whenever we can.

Mr. Berube stated there is an important consideration here that we are missing. This ten-year buy out is not paying of any of these contracts. It is not printed anywhere. Somewhere in Mr. Brock Nicholas's conversations with OUC, they set that ten-year time limit, but I have not seen that anywhere in print. We have all 11 of these contracts, and I read every single one of them.

Mr. Farnsworth stated it does not matter whether it is in print or not. That is their policy and they follow it internally.

Mr. Berube stated their policy changes about five different ways, 12 different times, and as we get into this, Mr. Moyer will remember. I am not sure that they have a policy because nobody ever pays these things off.

Mr. LeMenager stated I think that we are the first governmental body that ever discovered what OUC has done to us. Let us proceed.

<p>Ms. Kassel made a MOTION to approve the buy-out of street light loan #5 for phase 2 I-R and loan #6 for Ashley 1, as listed on the street light buy-down list, totaling \$365,000 and pay off at the earliest possible opportunity. Mr. LeMenager seconded the motion.</p>

Mr. Walls stated part of this motion will rescind last month's motion.

Mr. Farnsworth stated I disagree.

Mr. Berube asked can we manage to pay them off this fiscal year, even though it might go over the October date? We are going to use this year's money, right?

Mr. Walls asked what if it goes over?

Mr. Moyer responded if it goes over, the balance will extend.

Upon VOICE VOTE with all in favor except Mr. Farnsworth, approval was given to rescind the prior motion, authorizing District counsel and the District manager to negotiate with OUC to buy down the first four contracts, as listed on the street light buy-down list, totaling \$276,000, and to approve the buy-out of street light loan #5 for phase 2 I-R and loan #6 for Ashley 1, as listed on the street light buy-down list, totaling \$365,000 and pay off at the earliest possible opportunity.

Mr. Berube stated thank you. Again I apologize. I thought about what I was doing when I did it. I thought it was important to take everybody's concerns from last month. It was what it was.

Mr. LeMenager stated do not do it again.

B. Renewal Request from Champions Grill for Poolside Food Deliveries

Mr. LeMenager asked are they doing it?

Mr. Berube responded no, but at least they asked.

Mr. LeMenager stated I thought they said renewal, so I figured that means they must be doing it. This is like a second request, not renewal.

Mr. Berube stated they did it last year for a period of time.

Ms. Kassel stated they want to renew it for another year.

Mr. LeMenager stated okay. It was just confusing how it was stated.

Mr. Berube stated remember last year, they came to us and asked if they could deliver food to the pool here. They wanted an exclusive. We traded off meeting space here for three months for them having the ability to deliver food to the pool for three months. They have come back this year. We are still getting our meeting space but for a different reason. They asked if they can renew this deal of delivering food to the pool.

Mr. Farnsworth asked was the arrangement only for three months?

Mr. Berube responded yes, because they only want it during the high point of the year when it is busy at the pool.

Mr. Farnsworth asked are they asking for it now?

Mr. Berube responded no. This is now through the high point.

Ms. Kassel stated it is the same thing as last year.

Mr. Berube stated I did not get a number of months.

Mr. Farnsworth stated that was the question.

Mr. Berube stated the difference is that last year we traded three-for-three because we received three months of maintenance, so now we do not have the meeting space to trade off anymore.

Mr. LeMenager stated it is still the same concept. We are using this facility for free for these meetings.

Mr. Berube stated yes.

Mr. LeMenager stated I understand that with respect to the HOA, they are actually charging for some things. I realize that this is the CDD and we cannot work on behalf of the HOA. Maybe we could do something *quid pro quo* on behalf of the HOA.

Mr. Berube stated I am attempting to keep it all separate.

Mr. LeMenager stated I understand.

Mr. Berube stated the request was whether Champions Grill can deliver to the pool. I said yes, pending approval of the Board. What does the Board think?

Mr. Farnsworth asked is there any other delivery service that has made a similar request?

Mr. Berube responded no.

Mr. LeMenager stated I have no problem with it.

Mr. Walls asked is there a date certain through the end of September?

Ms. Kassel responded the last time, it was three months. I say that we make it three months again, and if they want more, they can ask for it.

Mr. Berube stated our free use of this building ends on September 30 with our fiscal year. I was thinking more like September 30.

Ms. Kassel stated okay.

Mr. Berube asked is everyone good?

Mr. LeMenager responded it sounds good.

Mr. Berube asked Mr. Farnsworth?

Mr. Farnsworth responded yes.

Mr. Berube stated I will let them know.

NINTH ORDER OF BUSINESS

Supervisor Requests

Mr. Farnsworth stated I have a question about the DRI map. It has been revised. Will we get a new version of that map? Someone took a picture of the original version and posted it in the lobby.

Ms. Kassel stated the most recent one has the urban service boundary.

Mr. Berube asked Mr. Farnsworth, do you want a digital copy of the revised DRI map?

Mr. LeMenager responded the revision is not official yet. Would that be correct, Mr. Kouwenhoven?

Mr. Kouwenhoven responded yes.

Mr. LeMenager stated they are still in the process of talking to the County.

Mr. Farnsworth stated when this map is finalized, we would like to have a completely revised, high-quality, high-resolution, digital map to replace the one we have.

Mr. Kouwenhoven stated sure.

Mr. Farnsworth asked in addition to that, because the specification of the number of acres is on our webpage, is this going to be changing the DRI?

Ms. Kassel responded the amount of development is going to be the same.

Mr. Farnsworth stated I am talking about the DRI boundary.

Mr. Boyd stated what happened is, there is a DRI and a planned development (PD) zoning. Because of the change in the State's road management laws, the County is in the position that it no longer has to have the DRI review for projects like this, because it established an urban boundary as part of this comprehensive plan. There is an exception that says counties that have done that have already structured their road management in a way that they do not have to do DRIs. Existing DRIs are given the opportunity to rescind the DRI. What happens is that all of the development obligations that have not already been met, they simply get rolled over and become part of the zoning approval. We are replacing the Harmony DRI with a new Harmony PD. You already have a Harmony PD zoning. It is very broad because all of the development entitlements were defined in the DRI. The development entitlements that have not been developed will be transferred to the PD zoning. That will be the new zoning map.

Ms. Kassel stated that does not mean it is being removed from Harmony.

Mr. Boyd stated that is correct.

Ms. Kassel stated it will remain in the Harmony acreage, but it is going to become part of what may be a facilities association but is all conservation acreage.

Mr. Berube stated that piece they are taking off will be outside of Osceola County's urban growth boundary.

Mr. Boyd stated correct.

Mr. Berube stated therefore, it is coming out of what was DRI controlled. It is outside of the urban growth. The rules are going to change. The total acreage within the entire area is going to remain the same.

Mr. Farnsworth stated the total outside area was the original DRI.

Mr. Boyd stated that is correct.

Mr. Farnsworth stated something changed.

Mr. Boyd stated a part is being removed from the urban growth, but the land is still technically in the Harmony PD zoning. It is still technically part of Harmony.

Mr. Farnsworth asked will that section be something else?

Mr. Boyd responded no.

Ms. Kassel stated it is going to be put into a conservation easement.

Mr. Berube stated it will still all be part of Harmony. It will just have a different development standard.

Mr. Farnsworth stated so it will not be developed.

Ms. Kassel stated it will not be developed. There are some parcels that may be zoned for passive recreation where there may be some minor development. There will not be any houses or commercial or industrial property. Is that correct?

Mr. Boyd responded yes. There are also some upland areas and passive conservation, with some very passive recreation. There will not be any structures or trails.

Ms. Kassel stated regarding the hiking trails, some residents are working with the Florida Trail Association to develop a trail through Harmony.

Mr. Boyd stated I do not know the details.

Ms. Kassel stated it is on the berm for a canal that was made long ago. It is intended to be the Harmony section of a State trail where you can hike from the Florida Keys all the way to Georgia. This is Harmony's section of that trail. We actually started working on a trail. If any residents want to join in that effort, please let me know.

Mr. Farnsworth asked Mr. Boyd, are there going to be any changes to this map?

Mr. Boyd responded yes. That map was prepared before any neighborhoods were on the east side of Five Oaks. The ponds shown on that map were conceptual. Now we have a final design through all of those areas. The new map will show the ponds that are

existing today. We have one in neighborhood O that is currently being constructed, and in neighborhoods J, K, and L, you have planned ponds.

Mr. Farnsworth asked will we receiving a replacement map?

Mr. Boyd responded yes.

Mr. Berube stated so it will be complete with neighborhoods I, J, K, L, and O.

Ms. Kassel stated but not neighborhood M.

Mr. Boyd stated the pond for neighborhood M is the existing pond.

Ms. Kassel stated so that is not going to change.

Mr. Boyd stated there will not be a new pond for neighborhood M. It will be complete for the CDD.

Mr. Berube stated good.

Mr. Farnsworth asked I have been trying to figure out where neighborhoods M, N, and O are. Was neighborhood O rezoned from commercial to residential?

Mr. Boyd responded at one point, it was just office, and then it was office/residential. Now it is purely residential.

Mr. Farnsworth asked where is neighborhood N?

Mr. Boyd responded I do not think there is a neighborhood N. That is something that we are working on now.

Mr. Farnsworth stated they are already down to neighborhood O. There is a neighborhood N and neighborhood M. Where are they?

Ms. Kouwenhoven stated I think neighborhood H-1.

Mr. Boyd stated you are right. If you recall in neighborhood H-1, the houses that came in between the end of neighborhood H-1 and U.S. Hwy 192 were neighborhood N.

Mr. Berube stated they rolled neighborhood N into neighborhood H-1.

Mr. Farnsworth stated okay. I was starting to go through the alphabet and realized that I was missing letters and wondered what was going on. You may all be aware that the website was changed.

Mr. Berube stated it is much brighter and cleaner.

Mr. Farnsworth stated I hope the contact is accurate.

Mr. LeMenager stated I actually use the website. Residents asked where the meeting was being held tonight. I think it would be better on the home page to put the next meeting date. When I am on Facebook, I try to send people the link.

Mr. Berube asked did it used to state the meeting date?

Mr. Farnsworth responded not on the home page.

Mr. LeMenager stated that would be my suggestion.

Mr. Farnsworth stated the entire meeting schedule is on every page. That is unchanged from what it was.

Mr. LeMenager stated I suggest having it as a banner on the home page.

Mr. Farnsworth stated I will voice my objection and tell you why. The website was conceptualized to minimize the amount of maintenance that Ms. Brenda Burgess has to do from month to month. The way that the website is set up currently, the only pages that have to be maintained on a monthly basis are the agenda, the minutes after they are approved, and anything that is added to the bulletin board. Those are the only three pages that Ms. Burgess must address on anything close to a monthly basis. Anything else would be on a yearly basis. The information about the meeting was duplicated at the top of the meeting page. Someone asked Ms. Burgess to eliminate the one from the top of the meeting page. It used to be duplicated there.

Ms. Kassel stated I understand that your concern is that you are helping out Ms. Burgess. The right section appears on every page.

Mr. Farnsworth stated correct.

Ms. Kassel stated maybe we could just have the meeting schedule, since meetings are held at 6:00 p.m., in the same place every month. Just have the meeting date, time, and address.

Mr. LeMenager stated that is not a bad idea.

Ms. Kassel stated it could be in bold print.

Mr. Berube stated there is space under the calendar dates and the field maintenance issues. You can add a line stating the location where all meetings are held.

Mr. Farnsworth stated we could make the change and have everyone look at it and see if that is really what you want.

Mr. LeMenager stated okay.

Mr. Berube stated the HROA website is still a work in progress. There is now a communications committee that is going to pick up some of the slack. Realistically, it will be ready next fiscal year.

Mr. LeMenager stated we talked about the methodology with which we set the assessments. I asked Mr. Glantz when I was talking to him this morning if there is a way to separate how you do the methodology for your bond. It should be a fixed item and have operation and maintenance (O&M). Since I moved here, I thought that the system that we have for the O&M and HOA makes no sense because you are charged for your uses of the facilities, which do not have anything to do with the size of your house. Is there a way or is it required that the methodology to set the O&M assessments be the same as the methodology used for the bond payoff?

Mr. Berube responded I heard what you said. You said that you charged for the use of the facilities, which have nothing to do with the size of your house.

Mr. LeMenager stated the facilities are outside of your house. They are outside of the amount of land you own. In other words, the use of facilities is based upon the number of people in the house, or how many people in the house can use the boats, the swimming pools, and the parks because they are all public. Yet the methodology designed by our developer was set up on this system of how wide the lot is. I am mindful of Mr. Walls's comments about people having a fixed fee and we should not be changing their fee. I am all for that with respect to the bond portion, but, with respect to the O&M, there is not a good argument for there being a difference.

Mr. Berube asked how else would you do it?

Mr. LeMenager responded I am not saying how you would do it. I am simply asking if it is doable.

Ms. Kassel stated what occurs to me is that the lots with the larger frontage, which the assessment is based on, those lots are generally on main boulevards where residents are getting greater services because the CDD is actually paying for the mowing along the streets between the curb and sidewalk.

Mr. LeMenager stated I appreciate that the space 65 feet by 8 feet gets mowed by the CDD, but it is difficult to justify why there should be such a massive difference in O&M.

Ms. Kassel stated I was not done. You interrupted me. That is one advantage or benefit. Another benefit is, most of those lots also have nice views. It is not an O&M issue, but it is still a benefit that they have that the interior smaller lots do not have.

Mr. LeMenager stated it was fair that their bond was higher to begin with.

Mr. Walls stated I think that any time you are talking about a change in assessment methodology, you would think long and hard about it.

Mr. LeMenager stated this is strictly for thought.

Mr. Walls stated any time you do that, there are going to be winners and losers. You will have a lot of upset people and some people who are okay with it. The outside people are going to be very vocal and they likely should be. I think the current assessments are as fair as you can get them in terms of how they were developed originally. People are used to that. People will understand what their fee is, what it is going to be next year, and what it was last year. If you change that, be prepared because it is going to be a tidal wave.

Mr. Berube stated we have already seen what happens when we contemplate change.

Mr. Kouwenhoven stated from our perspective, what led to this discussion is not so much the home size because in the budget, there are fixed and variable line items. Some assessments do depend on the size of the unit and the number of people that would generate the cost. There could be a case made that a larger home should pay more for a certain operating cost. Does a larger home enjoy annuals any more than a smaller home? Probably not. That would be a fixed cost, so everybody should share equitably. It would just be divided by the number of units. In this case, we discussed the service roads or alleys. You have some homes with alleys and some without. Maybe they should pay a higher portion of the pavement maintenance. Our bigger concern is why a 50-foot lot in one neighborhood pay more than a 50-foot lot in another. Forget about size.

Mr. Walls stated we talked about that. Keep in mind that none of us created this methodology. The development company created the methodology without studies. As I understand it, this neighborhood is divided into several areas. Each area has a certain number of facilities. It takes the cost to maintain each of those facilities in those areas and distributes the assessment according to that methodology.

Mr. Farnsworth stated regarding the view, some of these lots were deliberately built around a pond. Not everyone has pond views. Anybody that has a pond view has a benefit that everybody else does not have; for example, they have a 50-foot lot on a pond, and I have a 50-foot lot in Cherry Hill where there are no ponds.

Mr. Berube stated when you try to balance out all of the facilities and amenities, it is hard. The only choice you could have would be if you have 800 houses, you would have

to take your O&M and divide it by 800. That would be the only easy way to split this up. Would that be fair?

Mr. Farnsworth responded there is no fair way.

Mr. Berube asked how else could you do it? For example, we charge CDD fees in Ashley Park. It is high density as the lot width is very narrow. They do not pay a lot in assessments because they do not take a lot of space. If you take the number of units times your costs and divide it by two, people in Ashley Park are going to complain, and folks in the large houses are going to cheer.

Mr. Kouwenhoven asked have you studied how it is allocated?

Mr. LeMenager responded we received those emails.

Mr. Kouwenhoven stated then you know that the views have nothing to do with it, and you know that the facilities have nothing to do with it. There is an O&M budget that the Board prepared with \$2.7 million, which gets allocated based off of acreage just like the debt. You would take the acreage in one parcel where the debt was allocated and the acreage in another parcel that gets allocated and spread it down by lot size. Since those are done at different times in the year and different periods, there is a difference in the debt on a 50-foot lot, but that is just the nature of the beast. The O&M is calculated every year. It is not fixed. How are we going to allocate this O&M to these lots? The easiest way to do it is to follow what you are doing with the debt. We will allocate it in the same method, so this O&M gets allocated to these parcels based on acreage and then broken down by lot size. It has nothing to do with what is in those neighborhoods or the views. It has everything to do with the acreage.

Mr. Berube stated you are involved with a number of housing developments up and down the east coast.

Mr. Kouwenhoven stated yes.

Mr. Berube asked how many are CDD controlled?

Mr. Kouwenhoven responded I am involved with 30 to 40 CDDs.

Mr. Berube asked do most of them conform to the same way that we are doing this?

Mr. Kouwenhoven responded no; some do, and some do not. It is all over the map. It depends. I have changed methodologies before to do what we are addressing here, which is to have it make more sense so everyone is paying the same amount and there is a fair and equitable allocation.

Mr. Farnsworth asked can it change after a neighborhood is well established?

Mr. Kouwenhoven responded yes.

Mr. LeMenager stated they have made changes like that before they lost control of the CDD Board. I agree with Mr. Walls's point that it is your system. Mr. Glantz has time and time again said that the developer has not changed. Those are his exact words.

Mr. Berube stated this was originally put in place by Mr. Jim Lentz.

Mr. Kouwenhoven stated technically Mr. LeMenager is correct. Birchwood is the developer.

Mr. LeMenager stated they are still the same developer.

Mr. Berube stated Mr. Moyer deals with 21 CDDs that are generally around this area, within 100 miles or so. Of the ones that are 13 years old, do many conform to the same methodology that we use or are many very different?

Mr. Moyer responded they generally conform to the methodology that we are using. Mr. LeMenager lived in Celebration. Celebration has a chart. The Estates pay more than the townhouses. The townhouses pay more than the bungalows.

Mr. Kouwenhoven asked do product sizes pay differently in those communities?

Mr. Moyer responded yes.

Mr. Kouwenhoven stated this is really unique because you have all of those neighborhoods.

Mr. Berube asked in general, does a 50-foot lot within all of these other CDDs pay roughly the same as the other 50-foot lot?

Mr. Moyer responded let me take a look at it.

Mr. Berube stated we went through an exercise a couple of months ago to try to balance all 50-foot lots, and we are pretty close.

Mr. Kouwenhoven stated what we are seeing is, a 50-foot lot in one neighborhood that does not have an alley is paying more than a 50-foot lot in another neighborhood that has an alley. It is all because of the methodology. We are just asking for the methodology to be revisited.

Ms. Kassel stated for neighborhoods O, M, A-2, H-2, and F.

Mr. Kouwenhoven stated I think this would be a global change.

Ms. Kassel asked are you going to be coming to us in the future with some proposals?

Mr. Kouwenhoven responded no. We are asking that when you do a methodology this year and budgeting and allocating those costs, you would still do it by product size, but you can do it the same. You would have some variables in there, such as the alleys. You would look at it and see if every lot size is paying the same.

Mr. Farnsworth stated there is more to it than just the lot size. There is also the length and what usable property you have other than that. The ones that do not have an alley behind it may have a nice play area for kids that the rest do not have.

Mr. Berube stated we just did this exercise as a result of all the conversations in the last six months. When you analyze the 50-foot and 52-foot lots, they are all within 20% of each other. In general, the oldest neighborhoods have the lowest cost. The newer neighborhoods generally have a higher cost. There is a 20% to 25% spread from the oldest to the newest for all 50-foot to 52-foot lots. We know how this all breaks out. The bigger deal is that allocation. For whatever reason, the newer neighborhoods had a higher per-acre cost, which got reflected in the higher per-lot fee.

Mr. Walls stated right.

Mr. Berube stated the standardization starts to show up now because you have the 50-foot and 52-foot lots in neighborhoods I, J, K, and L, and that is all going to be flat. The point of the exercise was to get neighborhoods F, H-2, H-1, O, and A-2 lined up.

Mr. Kouwenhoven stated for debt.

Mr. Berube stated for the total CDD fee. I guess we can do the exercise to break out the debt and O&M.

Mr. LeMenager stated to be clear, I am not proposing anything.

Mr. Berube stated you asked the question.

Mr. LeMenager stated my first question is if it is possible to have different methodologies for the two parts of our assessment. If the answer is no, then it is a moot discussion.

Mr. Qualls stated I heard the question and the discussion. I will have to look into that question because my inclination is that they are fair and reasonable allocations. I never thought of it divided up the way that Mr. LeMenager suggested. I do not know but I will look into it.

Mr. Berube stated very good. Thank you.

Mr. LeMenager stated you need to answer that question before you have further discussion.

Ms. Kassel stated I wonder if it would be appropriate to factor in the fact that people who have been living here the longest were paying the lowest. They were also paying more for these street lights.

Mr. LeMenager stated I am not talking about how you would do it but if it is doable and if it makes sense. You all know my opinion. I think it is crazy that there is any variation whatsoever in CDD fees, but you play the hand that you are dealt.

Mr. Berube stated the street light buy out certainly enters into it, but not everyone who paid higher street light fees is still here. There have been other things that we changed to save money.

Mr. LeMenager stated it is just a question.

Mr. Berube stated you heard the conversation earlier about moving forward as quickly as possible with OUC on the two loan buy outs. Let us not delay that any longer.

Mr. Moyer stated keep in mind that it is going to be August and September.

Mr. Berube stated I understand. Start as soon as possible because we are 30 days behind already.

Mr. Walls stated I was down at the lake talking with the guys at the dock. For the budget, we should look at some modifications to the beach for kayak launches in terms of how that piece of dock at the end is configured.

Mr. Berube asked right in front of the kayaks?

Mr. Walls responded yes. It is too low and has been for some time. I do not expect it to get better unless we have a major drought. I think we can reconfigure it in a way that will account for times of high and low water periods. This is just something to think about for the budget process.

Mr. van der Snel stated I talked about it with Don because he expressed that concern, too. We cannot launch the kayaks in high water. I wanted to raise the dock and reuse old boards because the boards are the biggest expense. I will remove them and raise the dock to make it flush with the bottom of the boathouse. He is in agreement to start that as a summer project. The cost may be \$400.

Mr. Walls stated if we are doing it in-house, there will only be a cost for materials.

Mr. van der Snel stated it is doable in-house.

Mr. Berube stated I understand that you want to save the boards; however, keep in mind, they have been screwed down. The transfer cost to saving \$4 worth of board, if you spend half an hour, you are not saving anything. Let us make it pretty.

TENTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for Thursday, May 26, 2016, at 6:00 p.m.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, the meeting was adjourned at 7:30 p.m.
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Gary L. Moyer, Secretary

Steve Berube, Chairman