

# MINUTES OF WORKSHOP HARMONY COMMUNITY DEVELOPMENT DISTRICT

The budget workshop of the Board of Supervisors of the Harmony Community Development District was held Thursday, June 26, 2015, at 6:00 p.m. at Harmony Community School, 3365 Schoolhouse Road, St. Cloud, Florida.

Present from the Board 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
Gerhard van der Snel	District Staff

## **FIRST ORDER OF BUSINESS**

### **Call to Order**

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

## **SECOND ORDER OF BUSINESS**

### **Roll Call**

Mr. Berube called the roll.

## **THIRD ORDER OF BUSINESS**

### **Audience Comments**

There being none, the next order of business followed.

## **FOURTH ORDER OF BUSINESS**

### **Discussion of Fiscal Year 2016 Budget**

Mr. Berube stated this is version 2 of the tentative budget, prepared June 10, 2015.

#### **A. Revenues**

1. Interest—Investments: *No change on this line item.*
2. Interest—Tax Collector: *No change on this line item.*
3. Special Assessments—Tax Collector: *No change on this line item.*
4. Special Assessments—CDD Collected: *No change on this line item.*
5. Special Assessments—Discounts: *No change on this line item.*
6. Sale of Surplus Equipment: *No change on this line item.*
7. Other Miscellaneous Revenues: *No change on this line item.*
8. Access Cards: *Designate \$1,200 for budgeted revenues.*

- Mr. Walls suggested adding \$1,200 to revenue for access cards. We can reasonably expect to receive some revenue for this category. It was not budgeted for fiscal year 2015, but the District has received \$1,175 in the current fiscal year.

## **B. Administrative Expenditures**

1. Payroll—Board of Supervisors: *No change on this line item.*
  2. FICA Taxes: *No change on this line item.*
  3. Professional Services—Arbitrage Rebate: *No change on this line item.*
  4. Professional Services—Dissemination Agent: *No change on this line item.*
  5. Professional Services—Engineering: *Increased to \$8,000.*
- Actual expenses are projected to be \$8,000, and the previous fiscal year actual expenses were \$8,439. Activity is picking up, so more will be required of the engineer.
  - 6. Professional Services—Legal Services: *Increased to \$35,000.*
  - Mr. Walls suggested increasing this line item to \$35,000, based on expenditures last year and the current year.
  - 7. Professional Services—Management Consulting Services: *No change on this line item.*
  - 8. Professional Services—Property Appraiser: *No change on this line item.*
  - 9. Professional Services—Special Assessments: *No change on this line item.*
  - Mr. Walls suggested making this line item zero. Mr. Berube preferred to leave the proposed budget number as is until negotiations with Severn Trent are complete. He would prefer to collect those fees now rather than wait until next year. Mr. Moyer advised to leave the amount as shown. In a worst-case scenario if Severn Trent does not pay the amount, it will be reduced from the management contract. Other companies provide assessment services; it does not necessarily have to be Severn Trent.
  - 10. Professional Services—Trustee: *No change on this line item.*
  - Mr. Berube noted we have spent \$5,390 but the budget anticipates \$12,124 for fiscal year 2016. Mr. Moyer explained US Bank increased its fees by about 25%. For fiscal year 2014, the District spent \$9,967. The reason for the lower amount in the current fiscal year is either a billing error or they are billing the District semi-annually. The projected budget amount should be double the current expenditure.

- Mr. Moyer will clarify the current expenditure, why it is only \$5,390 through May. Mr. Berube believes that since one bond issue was refinanced, the District has only been billed for one bond series this year since the second series was paid out of the proceeds from the refinancing.

11. Auditing Services: *Increase to \$4,900 if provided in the engagement letter.*

- Mr. Berube questioned why this line item is a zero increase from the current fiscal year, when it appears each fiscal year increases \$200. Mr. Moyer will confirm the fee pursuant to the engagement letter with Grau & Associates.

12. Postage and Freight: *No change on this line item.*

13. Rental—Meeting Room: *Increased to \$1,500.*

- Mr. Berube indicated the Board will move back to the ballrooms at 7251 Five Oaks Drive, based on the meeting discussion on June 25, 2015. Some months will be at no charge. The Board's position is the meeting room should be free to the District since the golf course does not pay for their own pond maintenance and because they want to provide a service inside the District's property at the swimming pool serving meals, which is already in place. Worst-case scenario, the District will pay \$1,500 for the meeting room, which is \$125 per month for 12 months. Some months will be free, as per the agreement, which will also absorb any additional workshops that the District may need.

14. Record Storage: *No change on this line item.*

- This amount has not been finalized yet but is a worst-case scenario.

15. Insurance—General Liability: *No change on this line item.*

- Mr. Moyer indicated this number can be finalized at the public hearing. Staff anticipates the premium being increased, but last year it decreased slightly. Every year it changes, depending on the loss history for this type of government.

16. Printing and Binding: *No change on this line item.*

17. Legal Advertising: *No change on this line item.*

18. Miscellaneous—Assessment Collection Cost: *No change on this line item.*

- This figure increased from the current fiscal year due to the increased activities of the tax collector.

19. Miscellaneous—Contingency: *No change on this line item.*

20. Office Supplies: *No change on this line item.*

21. Annual District Filing Fee: *No change on this line item.*

**C. Field Expenditures**

1. Professional Services—Field Management: *Reduced to \$200,000.*

- This figure should have enough buffer in the proposed budgeted amount considering the projected expenditures. Personnel was not fully staffed all year and may not be next year. The amount will cover any increases, anticipated to be 3% or 4%, and should be sufficient even for a full staff.
- Mr. Walls recommended reducing the amount to \$195,000. Mr. Berube indicated that with new neighborhoods being developed, another staff person might need to be added during the year. Ms. Kassel suggested reducing the proposed amount to \$200,000, which will cover the other budget items that were increased, and the Board concurred.

**D. Landscape Expenditures**

- Mr. Berube noted the first four landscape contract line items were increased slightly but does not feel they were increased enough. Neighborhoods F and H-2 will come online during fiscal year 2016. Mr. Berube suggested an increase of 5% for the contracted items below.
- Mr. Walls suggested no further increases but setting it aside in reserves and seeing the actual figures from Davey Tree before incorporating them into the budget. The concern is that the new contract amounts will come in at the increased budgeted numbers rather than reflect actual costs.
- The increase reflected in the proposed budget is 2%, pursuant to their contractual increase, which does not reflect the new neighborhoods. Mr. Walls prefers to negotiate the amounts for those neighborhoods when they are ready for District maintenance. Monies from other line items can be used to cover the additional costs, including from reserves or a miscellaneous category, if available.
  1. Contracts—Grounds: *No change on this line item.*
  2. Contracts—Trees and Trimming: *No change on this line item.*
  3. Contracts—Turf Care: *No change on this line item.*
  4. Contracts—Shrub Care: *No change on this line item.*
  5. Repair and Maintenance—Irrigation: *Reduced to \$15,000.*

- Mr. van der Snel asked if this line item should be moved from landscaping to operations and maintenance. Mr. Berube indicated that irrigation is dedicated to landscape. This amount is not for the contracted services with Davey Tree but is outside of the contract for repairs and supplies. The proposed budget amount contemplates \$15,000 in supplies, which is not likely to happen.
- Mr. Berube recommended reducing the supplies amount by \$5,000. Even though heads and other irrigation parts need constant replacement and repair, the parts are not expensive and they are repaired with in-house staff. Expenditures to date are \$5,000, and the projected number through the end of the year is a plug number to get to \$20,000. The anticipated amount of \$15,000 from June through September is not likely to happen. With the existing system due to the aging of the community, staff replaces a lot of rotors, which are \$6 each. At the pace they are on now, the projected amount would be closer to \$7,000 because staff is better able to manage the system than was projected for the current year budget.

6. Repair and Maintenance—Tree Trimming Services (Canopy): *Reduced to \$15,000.*

- Projected actual costs for the current fiscal year are expected to be zero since Davey Tree does tree trimming as part of their contract when requested because they have enough labor onsite to trim the trees. Although this budget line item is for trimming over 10 feet, Davey Tree is doing all tree trimming as part of their contract. Mr. LeMenager disagrees because too many trees are touching houses, and this line item has not been addressed in the work activity. Even though trees are in a growing cycle, the work does not appear to be getting done now.
- Mr. Walls would like to see a formalized program that includes every street so that they all look the same and are on the same cycle. Ms. Kassel indicated the District was on a cycle to trim these trees every other year at a cost of \$15,000 to \$18,000 for trees on interior streets and the main boulevards. Mr. Berube mentioned that the recommendation from Davey Tree was to skip a year, which is the current year. The Board needs to decide whether to do the trees on interior streets or the trees on the main boulevards next year. The interior streets have not been done in a while, and Cat Brier and Five Oaks were trimmed this year, as well

as certain trees that have been hitting houses. Interior street trees are trimmed on demand as requested by residents.

- Mr. Berube suggested reducing this line item to \$15,000 in an effort to keep the proposal from the contractor below that amount.

7. Miscellaneous Services: *Increased to \$25,000.*

- Ms. Kassel requested the \$5,000 reduced from tree trimming services be added to this line item due to many areas that need refurbishment. Mr. Walls recommended increasing this line item to \$25,000. The Board concurred with \$25,000 since the refurbishments make the community look nice.

**E. Utilities Expenditures**

1. Electricity—General: *No change on this line item.*
2. Electricity—Street Lighting: *No change on this line item.*
3. Utility—Water and Sewer: *No change on this line item.*

- Mr. Walls asked if it appears that the District will spend \$76,000 based on what has been spent so far, and Mr. Berube indicated yes. Two new neighborhoods are coming online, F and H-2. Neighborhood H-1 added about \$2,000 per month to the water bill. Neighborhoods F and H-2 will have a little less usage, so it is hard to project. Maxicom has been running a lot lately, but the community is staying green. The projected amount of \$95,000 from June through September is probably sufficient, but Mr. Walls suggested making it \$100,000. Actuals for fiscal year 2014 were over \$105,000. Ms. Kassel and Mr. LeMenager are comfortable leaving it at \$105,000. Even though the Maxicom system runs more often, the District wastes less water.

4. Lease—Street Lights: *No change on this line item.*

- The District received \$200,000 from the bond refinancing, which is in the capital fund. Pursuant to the underwriter's agreement, \$100,000 of that is available for virtually any purpose on a temporary basis, and the second \$100,000 is designated for parks and recreation. It has to be spent within that category within three years. It can be used for street light buyouts and then replenished to parks and recreation within three years to stay within the terms of the bonds and to maintain tax-exempt status on the bonds. If the District uses that money for something else, that is fine but within three years, that \$100,000 has to be replenished to parks and

recreation. If the District uses that money to buy down more street light contracts and realizes savings, it goes into that account and has to be replenished within three years.

- This number is fixed at the lease number. If it is paid down, the savings goes in the bank. The budget number represents a worst-case figure if no contracts are bought down, since the District does not know when that will happen. This amount will be reduced once a contract is bought out. The next buyout for about \$430,000 will save the District about \$4,000 per month based on the amortization schedule that was provided previously, for a reduction of about \$50,000 in this line item.

5. Capital Outlay—Street Lights: *No change on this line item.*

- This item is budgeted for fiscal year 2015 at \$108,697, and the District has spent \$161,852 which was for neighborhood H-1. Mr. Walls does not anticipate spending anything more from this line item this fiscal year since the District is not buying any more street lights.
- Mr. Walls asked what is included in the budgeted amount for fiscal year 2016 of \$237,994, which is the debt service savings on the refinancing of the 2014 bonds. Mr. LeMenager indicated it is a plug number taking into account all the other line items. The District has \$100,000 available for buying down street light contracts, which is not included in this budget but is a separate capital outlay fund. The District also has \$100,000 for the current fiscal year that has not been spent yet, which totals \$445,000 that can be used to buy street light contracts.
- The District continues to wait on OUC for the buyout amounts for existing contracts, and Mr. Berube reported OUC is not in a hurry to allow the buyout. Mr. Tim Qualls contacted OUC's legal counsel, but it is dependent upon Mr. Alandus Sims, the account manager at OUC, who has been out of the office for various reasons.
- Ms. Kassel asked if the projected total for 2015 is the same as the annual budget for 2016 but the District is paying down street lights, why is it the same? Mr. Walls indicated it has not been factored in yet, and Mr. LeMenager indicated the amount will go down. The projected number through May was extrapolated for June through September, to come up with \$108,697, which will not be spent.

## **F. Operation and Maintenance Expenditures**

1. Contracts—Lake and Wetland: *No change on this line item.*
- Ms. Kassel asked to leave this number as proposed since we have not received the proposals for a revised maintenance schedule and since the Board has not decided on any changes, either with the current contractor or a new one. Mr. Walls believes the number would be less than \$20,000 in any case. Ms. Kassel suggested it could be reduced to \$18,000, but Mr. Berube preferred to keep it at \$20,000 since it can be changed later if necessary.
2. Communication—Telephone: *Reduced to \$4,000.*
- Mr. Berube does not think the current telephone packages will change much. Mr. van der Snel is considering a high-speed internet at the Swim Club for the cameras, which is \$50 more each month. Mr. Berube indicated that is for Bright House, not Sprint, which is a separate line item. Mr. Berube recommended reducing this line item to \$4,000.
3. Utility—Refuse Removal: *Increased to \$3,000.*
- Mr. Berube indicated this line item is consistently over budget each year and suggested increasing this to \$3,000.
4. Repair and Maintenance—Pools: *No change on this line item.*
- The District is getting close to the budgeted number now. The pools are aging, and the District has spent a little money on the pools but also realized some savings with chlorine purchases. The Board is comfortable with the proposed amount of \$30,000.
5. Repair and Maintenance—Roads and Alleyways: *No change on this line item.*
- Mr. Berube reported that the District has settled with Allstate on the alley paving. The District will be slightly over the original contracted amount, which is a savings of about \$8,000 from what they attempted to bill us. This process probably cost \$1,000 to \$1,200 in attorney fees, which will result in a \$6,000 savings from their attempted billing. Mr. LeMenager asked if the District planned to do another paving project this year. Mr. Berube responded no. Mr. LeMenager suggested that the District did not need to budget \$65,000 if that is the case. Mr. Walls and Ms. Kassel would like to proceed with another alley repaving project.



- The next alley scheduled is the Green neighborhood since its alleys are in the worst condition. They are not under any warranty once the District took ownership. Mr. LeMenager asked who signed off that the alleys be accepted. Mr. Walls had an issue with the engineer that the developer paid, which is also the District's engineer, who signed off on it.
  - Issues with the H-1 neighborhood were addressed with the engineer. Neighborhoods F and H-2 will be simpler because they do not have alleys.
  - The Board opted to keep the \$65,000 proposed budget number in case alleys need to be done in fiscal year 2016. If not, that money can be used to pay off street light contracts or other purpose.
  - Mr. Berube asked if the alley paving project just completed was paid from the general fund budget or if money was moved out of a reserve account. Mr. Moyer indicated it was a budgeted item and was paid from the general fund.
6. Repair and Maintenance—Sidewalks: *No change on this line item.*
- The District has full-time staff to address sidewalk issues, and the proposed budget number should be sufficient for fiscal year 2016.
7. Repair and Maintenance—Equipment, Boats: *No change on this line item.*
- The boats are getting older, and Mr. Berube suggested the proposed budget number is sufficient. Ms. Kassel reminded the Board that previous discussions included consideration of purchasing a new boat. The reason the proposed amount is lower than might be expected is because previously, repairs were made through Advanced Marine, which is very expensive. Now, repair parts are purchased from Amazon, which has saved a lot of money. The purchase of a new pontoon boat would not come from this line item but from a capital outlay fund.
8. Repair and Maintenance—Equipment, Vehicles: *Reduced to \$5,000.*
- Mr. Berube suggested reducing this item to \$5,000 because the vehicles are in good condition and nothing major is anticipated.
9. Repair and Maintenance—Parks and Facilities: *No change on this line item.*
- Mr. LeMenager noted the budgeted amount for fiscal year 2016 is more than is anticipated to be spent in fiscal year 2015, and asked why the large increase. Mr. Berube responded the District has more parks and facilities. Ms. Kassel pointed out that the parks are aging. Playground equipment and shade structures are also

aging. This category anticipates repairs to gates, fences, and other facilities in the various parks.

10. Repair and Maintenance—Hardscape Cleaning: *This line item is to be deleted.*

- Mr. Berube indicated this item is now being included in the staff salary line, which is why the actual and projected amounts are zero. Ms. Kassel asked if cleaning the pool structures and the sidewalks would fall in this line item, and Mr. Berube responded those are built into the salary budget. This category would be if the District hired a third party to perform the services, but the work is done with current staff.
- The purchase of a new power washer would fall in a different budget category.
- Mr. Berube indicated that previously, the development company would have the front fence cleaned and would charge the District twice a year. This year, Mr. Berube informed the development company that it would have to clean the fence at its cost this year. The District owns the fence but does not clean it since it needs to be replaced. Ms. Kassel asked about the fence being installed in the new neighborhoods, and Mr. Berube indicated it is the development company's problem because they installed the fence. If it was the District's choice, it would not have installed the fence, so therefore, the District is not going to clean the fence.
- Ms. Kassel pointed out the narrative includes PVC fencing, pavilions, restrooms, and other hardscape as well as unscheduled maintenance. Mr. LeMenager indicated those costs are absorbed within the salary number since the work is performed by in-house staff and not third parties.
- The Board suggested deleting this entire budget line item.

11. Miscellaneous Services: *No change on this line item.*

12. Miscellaneous—Property Taxes: *This line item is to be deleted.*

- Mr. Berube indicated this line item is not needed for the fiscal year 2016 budget since it was a one-time expense.

13. Miscellaneous—Access Cards and Equipment: *Reduced to \$2,500.*

- Mr. Berube suggested reducing this number to \$2,500. Mr. van der Snel found a cheaper supplier for the access cards, reducing the cost from \$11 to \$4 per card.

Mr. van der Snel often makes 20 to 30 cards per week because of new residents, which also affects the cost of the printer, ink, and so forth.

14. Miscellaneous—Contingency: *No change on this line item.*

15. Miscellaneous—Security Enhancements: *No change on this line item.*

- This line item includes new cameras, monitors, wiring, and so forth. Mr. van der Snel obtained some computers and monitors that the development office was discarding.

16. Capital Outlay—Other: *Increased to \$16,000.*

- A new pontoon boat will cost about \$8,000, plus \$4,000 for the engine and installation, for a total of \$12,000. Ms. Kassel suggested increasing this line item to \$16,000 which will leave \$4,000 after the purchase of a new pontoon boat, in keeping with the actual amount spent in fiscal year 2014.
- Mr. Berube reviewed the presentation he made at the meeting yesterday of a pontoon boat and a paddle boat. Ms. Kassel and Mr. LeMenager are concerned about no one using the paddle boat but supported the purchase of a pontoon boat.

17. Capital Outlay—Vehicle: *Increased to \$22,000.*

- The District saved money on the last vehicle purchased since it was under the State contract. Mr. Berube recommended keeping the budgeted number as proposed for the next two years and suggested the Board consider purchasing a small pickup truck, a Chevrolet Colorado. Mr. LeMenager asked if the developer needed Mr. Greg Golgowski's vehicle since it is still parked back there. Mr. van der Snel indicated it is not in good condition.
- The reason for a truck is (1) so the District can get the boats out of the water, and (2) for Mr. van der Snel to purchase items for the District without using his personal vehicle due to liability reasons. In the past, items were delivered or shipped to the District, which is not the most economical way of doing things. Today, Mr. van der Snel needed a battery for the mule, which he obtained from Advanced Auto Parts. Before, we would have ordered it, had it shipped in, and spent more money. It is for economies of scale. There are a number of reasons to purchase a truck. A Colorado costs about \$22,000.
- Mr. Walls stated Orange County purchases them for a little less. We purchase a lot of them, and they work very well in terms of maintenance and reliability. Mr.

Walls suggested budgeting \$20,000 for the truck now. Mr. Berube recommended \$22,000 to get a 4x4 since the truck will get in mud to get the boats out of the water. Mr. Walls indicated the State contract might be less than that amount, but it is a worst-case figure.

- Mr. LeMenager pointed out that to get to the boats, staff has to go outside this District's boundaries. Mr. Berube concurred and indicated staff currently uses a truck from the development company, which is not a preferred situation in case something happens or there is an accident. Mr. LeMenager indicated that as other areas are developed, this District needs to get some payback on these items, such as Lakeshore Park, the lake, the boats, and so forth. There will probably not be much infrastructure in the new areas, and other areas of Harmony may want to use these facilities.
- Mr. Berube is fine with budgeting for the truck this year. It will be sometime in calendar year 2016 before it can be purchased. Mr. LeMenager reminded the Board that the developer wants the District to be more self-sufficient since they will be done in another three or four years. Mr. Walls indicated orders need to be placed early on a State contract because they allocate all the vehicles, and then they are gone and you have to wait until the following year.

#### **G. Reserves**

1. Reserves—Renewal and Replacement: *No change on this line item.*
- Mr. LeMenager pointed out that the District has never budgeted anything for this line item. Mr. Berube indicated the surplus from the previous fiscal year is usually put into that line item.
  - Mr. Walls asked if the sidewalk reserve was necessary any longer, and Mr. Berube replied it was not because all the sidewalk repairs are being blended into normal, daily operations for staff. The most money that would be spent on sidewalks is if the District started replacing panels. Mr. Farnsworth indicated that will happen sooner than later. The labor for that effort is already included in salaries. We would need a diamond-blade cutting saw to cut out the panels and other miscellaneous equipment, which would come from that budget line item. The biggest expense outside those line items would be bringing in a concrete truck to do some panels, and that would not be a significant expense.

- Mr. LeMenager remembered that Celebration CDD employs two staff members who do nothing but sidewalks. This District employs one staff member who spends one-quarter of his time grinding sidewalks. About 90% of all sidewalks were recently completed, so now repairs are made on demand. Within a year or two, those sidewalks will raise up again, and we will need to grind them again. The machine the District purchased for \$2,500 has paid for itself already and is in good shape. Every couple months after heavy use, the District purchases a kit for \$600 that takes 30 minutes and the machine is back up and running.
- Mr. Walls suggested removing the sidewalk reserve completely and put the difference into renewal and replacement. Since the District is purchasing a truck, it will need funds allocated for maintenance of that truck. Mr. Walls thinks the sidewalk reserve monies can be used in other line items. Mr. Berube suggested putting those monies into renewal and replacement and some allotted for vehicle maintenance.
- Mr. Berube is comfortable putting all sidewalk expenses into operations. Using third parties for sidewalk repairs a year or so ago resulted in engineering fees being as much as it cost to repair the sidewalks. That equation has changed.
- Ms. Kassel indicated at some point, the District will have to replace the docks, boardwalks, and bridges. Mr. Berube pointed out staff can handle that work with the exception of the piers since the above-ground wood is just screwed together, and staff can handle that on an as-needed basis. Mr. van der Snel indicated the new dock has some damage on the side rubbers. The bushings are welded together instead of bolted, so they will be fixed next week. Ms. Kassel pointed out the pavilions will need to have roofs replaced and other items, including benches. The District already replaced the roof at the boathouse, at a cost of \$3,700, thanks to Mr. Justin Farrell. Much of the District's infrastructure is more than 10 years old.
- Mr. Walls indicated if there is \$150,000 in renewal and replacement, we would not even come close to that amount in any given year. Ms. Kassel thought \$20,000 of the \$60,000 reserve was going to be put in the capital outlay—vehicles line item. Mr. Walls pointed out the District has \$400,000 that is unassigned and can be used. Mr. LeMenager indicated the \$99,000 figure is from the engineer's study, which the District continues to add to. By moving some numbers, that will

increase to \$160,000. Mr. LeMenager and Mr. Walls pointed out the number does not need to be that high. Ms. Kassel suggested making it \$140,000 and putting the \$20,000 into capital outlay—vehicles, or even just \$13,000. Mr. Berube asked if the District can take money out of reserves for that purpose, and Mr. Walls indicated the Board can move the reserves anywhere it wants just by a motion of the Board.

- Ms. Kassel suggested making the renewal and replacement figure \$150,000, since capital outlay—vehicles already has \$9,200, and then \$10,000 can be added to capital outlay. Mr. Walls recognized everything would be guided by what is spent on the street lights.
- Mr. Moyer indicated the budget contained a couple plug numbers, one of them being the street lights. After adding and subtracting all the changes, that number will go either up or down, or the reserve number will go up or down.
- Mr. Berube realized this District is fortunate to have money to allocate where it is desired to be spent, knowing that other Boards are wondering where their next dime is coming from. Mr. LeMenager pointed out Ms. Kassel and he have been serving on this Board for seven years to ensure the District did a good job with its finances, and he recognized the entire Board has been diligent in conserving financial resources.

#### **H. Debt Service Budgets**

- Mr. Moyer indicated these budgets were set as part of the bond refinancing.

#### **I. Conclusion**

- Mr. LeMenager asked if the Board was comfortable raising the operation and maintenance assessment by 6.4%. Ms. Kassel indicated we cannot know what it will be without knowing about the street lights. Mr. LeMenager pointed out that all the Board is doing is balancing the numbers, so we know what it is going to be. The proposal is to keep the grand total the same, but the debt service has gone down, resulting in a 6.4% increase in operation and maintenance.
- Mr. Walls believes it is necessary in order to maintain new infrastructure.
- Mr. LeMenager pointed out when the street lights are paid off, we expect this number to decrease.

- Mr. Berube asked about the first page of the assessment chart, showing a line for office and one for the golf course, and wondered what office was for. Mr. LeMenager replied it is for neighborhood O, that it is not office anymore. It was going to be offices, but now it is going to be a neighborhood. It does not show a number of lots. Mr. Berube indicated the following page of the assessment chart also includes a category for office and asked what the difference was between the two. The developer is paying assessments for all the items on the second page. Ms. Kassel thought the first page is for platted lots and the second page is for unplatted lots. Unplatted is based on acreage and has an amount assigned to it. Mr. Berube asked if those rates are a wholesale rate.
- Mr. Moyer explained the methodology provides that unplatted parcels are assessed based on acreage. Once it is platted, the number allocated to the acreage is assigned to the number of units that are platted. The number of lots does not matter since it is based on the same fee. At the end of the day, that acre pays exactly the same as it paid before, platted or unplatted, regardless of the number of driveways.
- Mr. LeMenager indicated unplatted lots are \$4,000 per acre. Mr. Berube thinks it is \$1,000 per acre since neighborhood A-2 is 4.4 acres for a total of \$4,000. Mr. Moyer explained that the amount shown is per acre or per unit. For neighborhoods I, J, K, and L, each shows \$1,220 for a 40-foot lot with 187 total units, so each unit in that product type pays \$1,220.
- Mr. Berube has always told residents that when new neighborhoods come online, there is no additional income to the District and wants to be sure that statement is accurate. Mr. Moyer confirmed that is correct. Mr. LeMenager summarized that for neighborhood A-2 at a total assessment of almost \$10,000 per acre at 4.4 acres, their bill will be almost \$45,000. Mr. Moyer confirmed that the per-unit assessment is the same, and it is then multiplied by the number of acres. I, J, K, and L have been platted and sold, which is why the developer wanted the refinancing done quickly. Ryland Homes was not going to buy it until the refinancing was complete and the debt assessment was reduced.
- Ms. Kassel thought Richmond American Homes was building a model in neighborhood H-2, and Mr. Berube and Mr. LeMenager replied it is in H-1. The

developer is negotiating with another builder for H-2. Nothing has been sold in neighborhood H-2 yet.

- Mr. Berube asked if office is neighborhood O on the second page of the assessments, and Mr. Walls asked what the platted .28 acres represents for office on the first page of the assessments, which by consensus cannot be neighborhood O. Ms. Kassel suggested it is for the sales center. Mr. Moyer will confirm with the assessment staff. Mr. Brock Nicholas requested that some of it be put on the tax roll, which was done since it did not matter. It was a surprise to staff that he asked it be put on the tax roll.
- The golf course technically pays assessments because they are responsible for the debt associated with that acreage. The golf course does not pay operation and maintenance, just debt service, which Mr. Moyer confirmed.
- On the second page of the assessment chart, office has to be identified. TC is for Town Center, and Comm is commercial with 7.58 acres. Since the commercial area has shops and stores, some of those must be platted lots. The market piece is platted, as well as the sales and information gallery and all the retail areas. Mr. Moyer will clarify the details on the assessment charts with the assessment staff.

#### **I. Capital Fund**

- Mr. Walls asked what was going to be done with the \$200,000 in the capital fund. The Board discussed using part of it for the street lights. Mr. LeMenager indicated \$100,000 will be spent on street lights, and the other \$100,000 is designated for parks and recreation that has to be spent within three years.
- Mr. LeMenager asked if this question should be put out to the residents. Mr. Berube responded they will provide many different ideas on how to spend that money. Mr. LeMenager mentioned residents have had a few ideas recently, like another soccer field. This community is very popular for families, and the decision comes down to being willing to live this far out of town.
- Mr. Walls suggested budgeting the money so that it is available, not to earmark it but to put it in a capital line item. Ms. Kassel is concerned with focusing on soccer and is hesitant to spend a lot of money on soccer fields because there are many other sports. The District may be able to trade land across from the school with the developer. Residents have suggested another swimming pool, which is



very expensive. Ms. Kassel recommended waiting before deciding what to do with that money since we have three years.

- Mr. Berube indicated that legally, the District made the agreement when it accepted the money that \$100,000 was designated for street lights and \$100,000 was designated for parks and recreation. That is where the money needs to go. Mr. Walls would like to budget the money in a line item so it is available if something comes up. The Board can move that money around somewhat.
- Mr. Berube mentioned that there have been a lot of complaints about the neighborhood G park. An idea might be to turn the sodded area in that park into an urban forest. Ms. Kassel indicated the Board received a proposal for the area that has been abraded and is in terrible shape; there is a plan to create a planted area that will allow people through. Mr. LeMenager did not particularly care to have magnolias since the kids will climb over them and destroy them. Ms. Kassel pointed out they do not climb over them now, but Mr. LeMenager indicated they do in the little park behind his house and have destroyed one tree. Ms. Kassel indicated that is a different tree.
- Mr. Berube suggested putting a pine forest in that park area, similar to the one on Cat Brier facing the golf course, with pine needles on the bottom in the sodded area. That should shrink a little bit of the playground area because too much sod is there now. When people look out their front door, they would see pine trees and pine needles, and kids can run in there all they want. Ms. Kassel indicated that people want to see their kids by a playground, which is why we designed it that way. It would have a few higher points but enough lower plants so people can see into the park in addition to seeing the landscaping. Mr. LeMenager indicated only 10 houses are along that little park. Ms. Kassel believes houses are also on the other side of the park. Mr. Berube stated of the people who live there, six or seven houses border the park and see it when they come out the front door. Mr. LeMenager indicated there is the side of a house at the corner.
- Mr. Berube pointed out the intent of that park was not to have kids playing in the grass. It was intended to have kids playing on the playset on the mulch, not on the grass. Therein lies the problem. If you give kids a surface that they can play on, they will, and they will destroy it. They are not doing it on purpose or being

malicious, but a lot of kids use that park area. Whatever is put down has to be durable. Mr. van der Snel mentioned that parents do not watch their kids. Ms. Kassel pointed out that is why the Board designed the plan this way. We took into consideration the fact that most of the plant material should be somewhat drought tolerant but should be okay when there is a heavy rain and a lot of water moves through since it is a drainage swale. The swale is where the grass is really bad. We selected plant material that was going to be suited for that particular application. We also selected material that would not attract children but would repel children. They do not climb the magnolias since those trees are not climbable. The dwarf sabal minor is a type of palm that is a low grower and is not pleasant to be in. The same is true of the firecracker plant. Those plants were selected for color, texture, and appeal but specifically for repelling kid activity. Mr. Berube suggested tabling discussion of this item for the time being.

- Mr. Berube indicated there is now an opportunity for the soccer fields and another play area that has been developed along Butterfly Drive at the gas pipeline easement. Houses will back up to that easement, and people are calling it the linear park since it has linear planting features with low-growth plants and trees. It is 40 feet wide starting at that edge and going to Butterfly Drive. It is a 75-foot-wide grassy strip that is 880 feet long. We can enclose that with shrubbery of some kind that will help reduce the noise and will delineate that as a park area. It is already grassed. You could put two soccer fields in there, and they will cost virtually no money. You would need to level them a little and put some Bermuda or other on the top, and that would still leave several hundred feet in length to have a grassy play area. Mr. LeMenager mentioned it does not necessarily have to be soccer but could also be football and other activities.
- Ms. Kassel indicated the Board has been discussing over the past years putting in a par course at that location. It would be a new thing. A par course is equipment that is minimal and is outdoor. It is essentially exercise stations and the equipment is not really subject to vandalism. Generally, there is some kind of instruction on the equipment as to the kinds of things you do on that equipment. It is for adults, but kids can do it, too. Mr. LeMenager asked if that could be put on the gas

- easement, and Mr. Berube indicated yes. Ms. Kassel mentioned it will be minimally buried.
- Mr. Berube pointed out the gas pipeline easement has three pieces. The way it works, the front piece fronts Butterfly and Schoolhouse. The new Dark Sky Drive bisects the easement making a square piece. One area is about 75 feet wide and 125 feet long. Then there is a long run all the way to the back. Dark Sky Drive comes out and reconnects with the existing Dark Sky Drive. There is another little piece behind that. If you wanted to contain the par course into a small area, you have them. If you want to make it the length, that is fine. It is 75 feet wide. It is ours. We are already maintaining it at a minimal standard. For a small amount of money, we can make this look good, and we have \$100,000 designated for parks and recreation. Mr. LeMenager pointed out we do not have much more to do on this side with the 55+ community going in.
  - Mr. LeMenager reminded the Board that a couple new neighborhoods are coming in. The developer is saying all the parks have been built, which is nonsense since that is not how you design a traditional neighborhood development, but it is how you maximize profits. Ms. Kassel indicated it is not in their DRI since it says every neighborhood will have a park. Mr. Berube confirmed that each one does. Neighborhood H-1 has a double swing set with mulch, which is their park. In neighborhood F, the park will be that 40-foot landscaped area. In neighborhood H-2 will be a green park area. You will have 100 kids from neighborhood F who will go to the Green neighborhood park. It is already overrun. Neighborhood H-1 will have 90 houses, so maybe 150 kids. When neighborhood H-2 comes online, that will be 87 lots and another 150 kids. Mr. LeMenager reiterated that the Board needs to think about what to come up with.
  - Mr. Berube indicated the gas pipeline easement gives us space. Maybe we can have a new walking trail or a new trail to bring in people from those new neighborhoods. Mr. LeMenager would still like to get people using the school facilities since it is right across the street, not far from neighborhood H-2. Mr. Berube suggested tying neighborhood H-2 into neighborhood H-1. All down Dark Sky Drive is a big grassy easement with no sidewalk. If you install a trail, it

brings people to the gas pipeline easement. It can be tied together. The Board has never had to do this before, but it can be done inexpensively.

- Ms. Kassel indicated the developer has been talking about doing some kind of trade, including the property at Lakeshore Park by Buck Lake or the parcel across from the school. Mr. LeMenager indicated the comment was made at the regular meeting yesterday that they might give us that park. Mr. Bob Glantz and Mr. Berube have had this conversation several times. Mr. LeMenager indicated if they keep it, they will have to pay to develop it. Ms. Kassel indicated it will be very expensive to develop, probably \$400,000 or \$500,000. Mr. Berube mentioned the square lot is low, and dirt is expensive to bring in. Mr. Glantz wants to address the demands for a swimming pool, which is why he is willing to shift it to the District to address the swimming pool demand.
- Mr. Berube suggested getting these parks set up first since residents have been wanting parks for several years. The District has the money to do it and will figure out what to do with neighborhood G. The pipeline easement will solve a lot of capacity problems, and we can do anything we want. If the Board opts to put in a soccer field at the residents' requests, the land is relatively flat and will take just a little grading and dirt to support sod. Irrigation is already there.
- Ms. Kassel asked about the community school field where the District is taking over the irrigation. It is a little bumpy, but that could be considered for a play area. The District does not own it, but Mr. LeMenager suggested they would approve it if the District offered to build a soccer field. Mr. Walls is worried that will be a lot of kids. Mr. Berube indicated this had already been suggested, but Mr. van der Snel mentioned it was the areas at Cupseed and Bluestem, not the other parts. The school did not want us on the inside. The irrigation at Cupseed and Bluestem is working. The school's part is zeroed out. They only turned the water back on because the District forced their hand to spend the money. If the District approached the school to build the soccer field, the concern is that the school will not take care of it. Going on the school's property would be a problem, but it could be done if it was on District property.
- Mr. LeMenager pointed out the District needs to think about what to do on that corner because at some point, it will become District property. Mr. Berube

mentioned if you budget \$500,000 for a swimming pool, that would make a lot of people happy. Ms. Kassel would like to see it be a swimming pool, a playground, and a shelter. Mr. LeMenager suggested a play field is fine. Mr. Berube indicated we could start the discussion with Mr. Glantz about turning that property over to the District. Ms. Kassel wondered if the District could get some money to go toward a pool since it was promised to the residents. Mr. Berube indicated that Mr. Glantz will respond that we have \$100,000, which was significantly above his starting offer.

**FIFTH ORDER OF BUSINESS**

**Other Business**

There being none, the next order of business followed.

**SIXTH ORDER OF BUSINESS**

**Supervisors' Requests**

There being none, the next order of business followed.

**SEVENTH ORDER OF BUSINESS**

**Adjournment**

The next meeting is scheduled for Thursday, July 30, 2015, at 6:00 p.m.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, the meeting was adjourned at 7:15 p.m.
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Gary L. Moyer, Secretary

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Steve Berube, Chairman