

DRAFT

SUN 'N LAKE OF SEBRING IMPROVEMENT DISTRICT BOARD OF SUPERVISORS REGULAR MEETING Friday, May 10, 2019 MINUTES

The Regular meeting of the Board of Supervisors of Sun 'n Lake of Sebring Improvement District was held Friday, May 10, 2019, at the Community Center, 3500 Edgewater Drive, Sebring, FL 33872.

The meeting was called to order at 9:00 a.m. by President Branson.

SUPERVISORS PRESENT

Mr. Joseph Branson, President
Mr. William Stegall, Vice-President
Mr. Michael Gilpin
Mr. Raymond Brooks
Mr. Neal Hotelling

The General Manager, Tanya Cannady; Board Secretary, Chrissy Hardman; Omar DeJesus, Finance Director; Ariel Starling, Community Services Director; Drew Jones, Polston Engineering; Cliff Easum, Andy Kesling, Mike LaMere, Billy Casper Golf and District Attorney, David Schumacher were present; there were approximately 21 people in attendance.

1. Call to order-9:00 a.m.
2. Pledge of Allegiance
3. Announcements:
 - a. Next regular meeting is scheduled for Friday, May 24, 2019, at 9:00 a.m. at the Community Center, 3500 Edgewater Drive, Sebring, FL 33872.
 - b. Please silence or turn off your cell phones.

DRAFT

4. Consent Agenda

Minutes of the Board of Supervisors' Regular meeting held Friday, April 26, 2019;
Treasurer's Report and Golf Financials March 31, 2019.

Supervisor Stegall moved to approve, Supervisor Gilpin provided the second.

With no board or public comment, the motion was put to board vote.

Roll Call: Supervisor Stegall- Y; Supervisor Brooks- Y; Supervisor
Gilpin- Y; Supervisor Hotelling- Y; President Branson- Y

**With a vote of 5-0, the motion to approve the Consent Agenda
passes.**

Action Agenda

- a. Resolution No. 2019-05/10-18: A resolution of the Sun 'n Lake of Sebring Improvement District to approve application for Highlands County Sheriff's Office for extra duty deputies.

Supervisor Gilpin moved to approve, Supervisor Stegall provided the second. President Branson asked if there were any concerns to which Supervisor Hotelling replied he had met with staff and discussed how the contract wording made the District out to be the "employer" rather than affirming an agreement to patrol the area (as is their duty) with more frequency. Additionally, he believed they should strike the "indemnification clause" to which Mr. Schumacher said he had contacted Garrett Roberts, (General Counsel for the Sheriff's department) who has yet to respond as of May 9th. In his professional opinion, it is a conflictive statement because the Sheriff's department will "control the officers"; yet, the second page's indemnification clause holds the District responsible. He recommended proceeding as Supervisor Hotelling had suggested via striking it from the agreement.

DRAFT

Should any concern, arise from the removal, Mr. Roberts will revert to the District. Supervisor Hotelling voiced his approval with Mr. Schumacher's assessment to which Supervisor Stegall asked if this related to the amount of contracted hours. Supervisor Hotelling replied that was not the case to which Ms. Cannady elaborated how the total hours would be 36 at \$45 per hour (\$1,620 monthly). Representatives at the Sheriff's office were in agreement to which Supervisor Brooks asked if the deputy will issue citations to which Ms. Cannady confirmed. Supervisor Stegall inquired if they would use radar (or just patrol) to which she confirmed the former is expected; however, she cannot guarantee this would be the case each time. The department will issue an offer to officers interested in overtime of which she agreed to find out definitively to which Supervisor Stegall remarked how that is the service the board requires. It should be a clear-cut condition to the department to which she conceded. Supervisor Brooks asked what is the method to measure the success of the patrols to which Ms. Cannady replied they will provide a report after each shift (or at least bi-weekly). Supervisor Brooks inquired if there is an idea for how much the average ticket costs to which Mr. Schumacher answered it is an issue of how excessive they clocked the driver's speed. He estimated the average at \$160 to \$165 to which Ms. Cannady added, running a stop sign is a lessor fine. President Branson asked if they approve the resolution will operations submit the agreement with the indemnification clause stricken to which Mr. Schumacher affirmed. President Branson inquired if he expected the Sheriff's office rejecting the submittal to which Mr. Schumacher answered the worst that may happen is the captain will dismiss the contract and discussions will ensue concerning the indemnification "provision". The first page ensures the Sheriff's department has "full control" of the officers. All the District is requesting is for a policing of certain areas.

DRAFT

In his opinion, this will not create any conflict concerning employee relations; especially, when the Sheriff's department is paid for these services. Supervisor Stegall asked how the District will determine what streets they will police to which Ms. Cannady replied the initial plan is to have patrols at the busiest streets, i.e. Granada Boulevard, Ponce-de-Leon Boulevard, Columbus Boulevard, Ortega Street and Cortez Boulevard. Supervisor Stegall reminded her of the complaints received from residents on Cortez Boulevard and Sunrise Drive to which Ms. Cannady added Cantoria Avenue was another area. She confirmed they have prepared a statement that management will select the area patrolled for the day; however, the mentioned roadways will be requested for the first month. Supervisor Stegall explained his goal to make sure the Sheriff's office is aware of all the areas that have a problem. Supervisor Hotelling referenced Supervisor Brook's previous comment and said success is determined by the decrease in complaints. President Branson noted the time of which they do the patrols is important, he recommended they police the areas in the morning and late afternoon. She agreed that would be in the request; however, initially, she will need to work with the department to make required adjustments. President Branson called for public comment.

Bill Norcross- Voiced his approval of the resolution and mentioned how Sun 'n Lake Boulevard is an area of concern. The District pays county taxes, and he does not understand why management must pay additional for these services. He recommended placing a notice in the local newspaper advising citizens of the patrols.

Supervisor Brooks asked if the department would be willing to do more in the District (mentioning the boulevard is the county's responsibility) to which

DRAFT

Ms. Cannady confirmed county representatives have agreed to the request.

Dennis Vanderiest- Advised the board he was one signature for the Cantoria Avenue petition, then asked if these patrols will nullify the appeal for a speed bump. He spoke of three occurrences where he was almost hit by a vehicle attributing this danger to a lack of sidewalks on Cantoria Avenue to which Supervisor Brooks inquired if Mr. Vanderiest was the individual responsible for the communication. He replied but was inaudible to which President Branson replied “there have been no additional speed bumps approved” because of the pending traffic analysis. From there the board must to decide how to install a unit with the least amount of “liability” as possible. He noted there are two speed bumps installed on Matanzas Drive which have been effective; however, the risk is high for a vehicle to go over the speed bump too fast and crash. Alternatives are being measured in conjunction with the traffic study. Therefore, the board decided to “forego speed bumps” until they complete the mentioned tasks. Mr. Vanderiest recounted how he became an amputee because of a car accident and asserted his belief that patrols will not cause a great impact on the problem.

With no further board or public comment, the motion was put to board vote.

Roll Call: Supervisor Brooks- Y; Supervisor Gilpin- Y; Supervisor Hotelling- Y; Supervisor Stegall- Y; President Branson- Y

With a vote of 5-0, the motion to approve the resolution passes.

DRAFT

- b. Resolution No. 2019-05/10-19: A resolution of the Sun 'n Lake of Sebring Improvement District to award the Unit 4 WWTP Resealing Project designated as RFP 19-04 to Basic Concepts, Inc. DBA Justrite for \$88,957. Supervisor Gilpin moved to approve, Supervisor Stegall provided the second. Ms. Cannady reviewed the details concerning the resolution and explained how this resolution is the “re-bid” results for the project; subsequently, the total cost (with management’s recommendation) is \$88,957 with a 3-year warranty. They expect the material used to last for (at least) 20 years to which Drew Jones took the floor. He agreed to provide a review for “the basics on the material and why we’re doing it” further explaining how the Unit 4 Wastewater Treatment Plant has been experiencing wall leaks that are consistently indicated during Florida Department of Environmental Protection inspections of the facility. There have been efforts to provide a temporary solution for the situation, such as patching; however, now there are severe leaks. In the eastern section of the plant, leaks are bad enough that staff cannot run the plant from that area which meant it had to be shutdown. The goal of the project is to, “... seal the inside of each joint with a polymer (a spray on)”. They conducted this same repair in 2016 for the Unit 23 plant (same contractor). The difference is the original company was “bought out” and their name changed; however, the quality of the work has “held up just fine”. He asked if there were questions to which Supervisor Brooks inquired if all leaks were in the area where the seals are located to which Mr. Jones confirmed. Supervisor Brooks stated his concern was with how the bid included the walls of the perimeter; however, he was told the District will not move forward with that portion of the project. He asked why not to which Mr. Jones replied the deciding factor was the cost to complete the “entire wall”.

DRAFT

If the cost was “insignificant” it would have been an option; however, both contractors who bid on the project affirmed performing the work on the entire wall would not be beneficial. Supervisor Brooks asked if the project (the walls) will come before the board in a few years to which Mr. Jones replied that is not the case because a leak after the work has concluded would mean there is a “structural” issue. Supervisor Hotelling asked how old the tanks are to which he answered the tanks were installed in “the mid-nineties, 1995 (or 1996)”. Supervisor Hotelling inquired as to the average life expectancy of the tanks to which Mr. Jones responded fifty to sixty years. Supervisor Gilpin remarked he was present for the 2016 repairs and had no issue with the product, or how the project was conducted. Supervisor Hotelling said his point was he did not want to spend \$88,000 for a project if it will need to be repaired again.

With no further board or public comment, the motion was put to board vote.

Roll Call: Supervisor Gilpin- Y; Supervisor Hotelling- Y; Supervisor Stegall- Y; Supervisor Brooks- Y; President Branson- Y

With a vote of 5-0, the motion to approve the resolution passes.

c. Discussion: Policy Manual updates

Ms. Cannady announced a discussion on the second draft for the Policy manual would include revisions recommended by Supervisor Stegall. She announced she would begin with page 6; however, she wanted to reference a comment concerning committees to which Supervisor Stegall said the policy is written as if the board will, “review (annually) each committee... (to consider) whether or not they’re purpose(ful), useful... and function(al)...” of which he believed it is an acceptable practice. He wanted to make sure the board knows of this policy because he did not think they are.

DRAFT

Ms. Cannady continued announcing page 23, Section 2-1 "Purchasing Thresholds" item "D", to which Supervisor Hotelling reverted to an item on page 21; in the minutes, they had discussed how they should include the word "only" but it was not included in the presented draft. Ms. Cannady agreed to add the wording, then reverted to item "D" stating, "\$10,000 or more require Board approval must specifically be exempt herein" to which she gave Supervisor Stegall the floor. He felt the wording was redundant to which Supervisor Hotelling pointed out it had been removed from page 21 (altogether). Ms. Cannady elaborated management has authority over quotes between \$5,000 and \$25,000. Unless there is an emergency, it will be handled "internally"; subsequently, this is a scenario that does not occur often. Supervisor Brooks asked if they would remove item "D" to which Ms. Cannady confirmed. She moved onto page 24, Section 4-2, and item "D" which was revised from "\$500" to "\$1,000". Supervisor Stegall pointed out how this is already a practice to which Ms. Cannady concurred. She continued to page 28, Section 7-4 informing the board it made the same statement, (three times). The idea is to polish the section and clarify the change order policy. The Policy manual reads (currently), "any change orders that add to the amount in contract, or deduct require board approval if \$10,000 or more." Thereadditional correction to the "change order language" removed unnecessary wording. She moved onto page 44, Section H-1003 and the removal of the statement, "trail fees shall be rebated up to a maximum of 6 months if membership is terminated..." to emulate the "current golf policies and procedures". The statement will be replaced by, "refunds may be prorated for up to 6 months in the event of death". Supervisor Brooks asked about "annual member(s)" to which she replied they included it.

DRAFT

He asked for a clarification on whether the only refund given will be if someone “passes away” for up to 6 months (not to include trail fees) to which Ms. Cannady explained how a proration would encompass “trail and membership fees”. Supervisor Brooks asked if he was correct in his understanding that for “termination” they will give no refund; except under the circumstance of death to which she confirmed. She moved onto page 45, Section H-1100, Golf Member Initiation Fee they will revise from “is” to “may be” because it is no longer part of the fee structure. Supervisor Stegall referenced section H-1204, specifically how “outside catering” will be approved through the golf operation. He was unsure that should be allowed; additionally, he is concerned about the ability for players to bring coolers on the golf course. He believed these were questions that required management’s recommendation. Supervisor Stegall asked his constituents if they wanted to allow this policy to continue considering the Club has a restaurant. Supervisor Gilpin mentioned an approval was already granted the previous weekend to which Supervisor Brooks concurred with Supervisor Stegall’s point. Cliff Easum said the decision was made to give the Club a “competitor advantage” to which Andy Kesling explained how the “Rotary tournament” was hosted the past week which offered a “London broil lunch”. There are two events (annually) granted permission for outside catering; one of which includes the Firemen’s cook out. Supervisor Brooks asked if they could purchase the food from the restaurant to which Mr. Kesling confirmed, speculating he did not believe they would want to. Supervisor Stegall was of the opinion the board is in the same predicament as when the “Veteran’s Tournament” was initially discussed. He was adamant the decision should be made by the board (not golf operations). If they are willing to do it for the firemen, then it should be allowed for everyone.

DRAFT

There can be no discrimination to which Supervisor Brooks asked if they are able to bring alcohol? Mr. Kesling replied the practice has always been to allow donations of beer, soda and water distributed on the golf course. Supervisor Gilpin asserted a decision must be made to which Mr. Easum agreed to do as instructed by the board. As per his previous comment, competitors do allow for a similar practice of donating beverages. Mr. Kesling was assured if the policy is changed, the Club will lose events to which Supervisor Stegall replied “donated products is one thing”; however, he wanted to make sure that the Club is not violating the terms of the liquor license. He further mentioned his concern for the amount of coolers permitted on the golf course (Tuesday evenings). He found additional disparities in section H-1204, “... January, February and March one course shall be available for the full day on tournament days for golf member play.” He asserted his belief that the policy is not being followed, and if Golf operations feels the program should not be allowed, then it needs to be removed altogether. He reiterated his point that the operation should not be making these decisions. Mr. Easum reassured the board that he did not believe there is a day during that time period where both courses are not available to which Mr. Kesling concurred. He added the only time they shut the courses down for a tournament is during the Advent Health outing causing a 1:30 p.m. shotgun start. Mr. Kesling affirmed he was unaware that was a policy and agreed to act appropriately moving forward. He mentioned it all relates to revenue and felt that a “revenue guideline” needs to be established. Continuing to “run-off” tournaments will affect income to which Supervisor Stegall was adamant they should not violate the policy; however, agreeing they should accommodate Advent Health. Supervisor Brooks concurred it needs to be “fixed” to which Supervisor Gilpin asked if the goal is to accept all outings.

DRAFT

Mr. Kesling replied the aim is to earn revenue and support charitable events. He forewarned losing one (or two) tournaments would be detrimental to the bottom line. The goal is not to displace members, unless, the revenue is substantial. Supervisor Brooks asked (in summation) if “any exceptions to 1203 will have to go through the board” to which Mr. Kesling replied only when both golf courses are shut down. Supervisor Brooks inquired (relating to “outside catering” and alcohol on the course) if the board must grant permission to which Supervisor Stegall said he agrees with getting board approval first if they shut both golf courses down. He only wants them to adhere to policies, or provide an exception clause. Mr. Kesling asked if he is in violation despite at least one golf course remaining operational to which Supervisor Stegall read from the policy (verbatim). He affirmed Mr. Kesling is in violation of the policy to which Supervisor Brooks noted there are member events that will have to be cancelled. President Branson elaborated how the wording asserts “outside” so member events are not at risk. Supervisor Stegall reiterated how he only wants them to revise the policy to match current practices. Mr. Kesling informed the board that they held the Advent Health tournament in November (in the past) but the date changed to February. It will go back to the original date in subsequent tournaments. He referenced the Chen Dental tournament benefitting “Lindsey’s Wish”, advising the request will be for both golf courses on a Friday. He agreed to bring it before the board for approval to which Supervisor Stegall said he would approve it, so long as, the wording in the policy stipulates all exceptions must come before the board. This condition applies to outside catering as well to which Ms. Cannady requested confirmation that the board is requesting a clause be put into the policy?

DRAFT

He confirmed to which Supervisor Hotelling asked if the article should mention catering because he perceived an issue on the subject amongst his constituents. Supervisor Stegall replied his assertion is that it “could be” a problem postulating an outside tournament using a personal “cooker” for food service to which Mr. Kesling reassured him they would never permit it. Supervisor Hotelling suggested rewording it so that the policy dictates that “outside catering is not permitted for food and beverage related to tournaments, except with approval from the Board of Supervisors” to which Supervisor Stegall agreed. Mr. Kesling referenced the two tournaments, asserting the revenue they generate is substantial. The Firemen’s cookout produces \$10,000 to \$12,000 in income during the middle of August. He was assured that if he goes to tour representatives and tell them they can no longer bring their own food, they will choose another venue. Supervisor Stegall clarified how his instruction is not to do that, just to reword the policy. He reminded him that all the labor for the golf course would still occur with (or without) the income. As it is now, members are being displaced and they need not do it more than what is absolutely necessary. He believed members will compromise if it keeps their membership dues down; that said, the restaurant is a different situation because of a “35% cost of goods sold”. If an “outside banquet” generates \$10,000 then \$3,000 of that amount is taken from the “bottom line” automatically. Mr. Kesling voiced his understanding that Supervisor Stegall wants the policy to match the practice to which Supervisor Gilpin said that is a majority of what causes disagreements between the board and Golf operation. Ms. Cannady asked if they reached a consensus concerning Section H-1204, and the changes pertaining to “outside catering requests to come before the board” to which they gave in favor.

DRAFT

Supervisor Stegall suggested existing tournaments be “grandfathered in” to which Mr. Kesling assured him he could accommodate the board (either way). Supervisor Stegall voiced his acceptance of (beverage) donations, so long as it does not violate the terms of the Club’s liquor license. He asked if it is wise to let the Club’s gators be driven around the District and if insurance covers unforeseen accidents of this nature to which Mr. Easum agreed to look into the subject. Supervisor Stegall reiterated his concern with liability that may come from non-staff operators on Club gators driving to which Mr. Schumacher agreed to add language in the policy per the board’s comments. Ms. Cannady announced the revisions were concluded to which President Branson called for public comment.

Bill Norcross- Referenced a rumor and the “golf cart insurance policies”, asking that staff continue to make sure members who own golf carts still retain insurance coverage of at least \$100,000 (a fee of \$60 annually).

Unknown audience member- Said he would like to see the Club consider handicap access to the driving range. He was told for the months of January through March he is permitted to get a cart because of his handicap which makes it difficult to carry his bag. He voiced his disagreement with the Free Homebuyer Membership program because when he purchased his home he was told he would get that for free but had to pay a Trail fee.

5. Add-on item

Mr. Schumacher referenced the memorandum included in the board packet relevant to executing the engagement of Lewis, Longman and Walker. A discussion took place on April 30th between Ms. Cannady, Terry Lewis, William Capco and himself to discuss the Tanglewood contract and 5/3rd bond issue.

DRAFT

During the discussion, Mr. Lewis estimated costs exceeding \$5,000 but less than \$10,000 to review the documentation for both subjects. A majority of this cost would be the analysis of the 5/3rd file. He asked the board how to proceed, adding for the Tanglewood contract, the idea is to have Lewis, Longman and Walker review the agreement, addendum and draft previously submitted by Mr. Schumacher (tabled resolution 2019-04/12-15). The goal is to identify if there is a way to renegotiate the agreement (or assert Florida Statute 513), and confirm if the contract is in fact “perpetual”. If so, the discussion will focus on drafting an addendum to gain consent from all parties involved to which Supervisor Gilpin announced he did not want to spend over \$10,000 to confirm what Mr. Schumacher already counseled. Supervisor Hotelling disagreed, stating this may be the only opportunity to review the contract and make changes; especially concerning the termination of the perpetual agreement, in favor of an addendum stipulating a specific term. A citizen presented documentation to him that raised other questions such as, “... removing references to Section 12.” He believed the effort would be worthwhile if it succeeded to address these concerns; subsequently, if there is nothing more that can be done, at least the board would have formal confirmation. Mr. Schumacher stated Mr. Capco has a background in special districts and assessments. In his opinion the 5/3rd dilemma can be resolved by waiting it out (8 to 10 years) because it would be a burden on the bank to continue to keep it on their records. President Branson asked if representatives from 5/3rd “have changed their positions at all” to which Mr. Schumacher said they have made no change to his knowledge. Part of the counsel the District would seek is what the different options are, such as suing to seek adjudication; especially, considering the District’s auditors will not remove it from the records. Another factor that will need to be considered is if the District wants to absorb the cost for litigation.

DRAFT

Supervisor Gilpin concurred stating that is his concern, and he trusts Mr. Schumacher's counsel to which Supervisor Stegall asked if the District were to separate the two items (5/3rd and Tanglewood) would Mr. Schumacher know what expenses would be to which he replied as stated in the memorandum, the bulk of the cost is for the work associated with 5/3rd bank. If the focus was strictly Tanglewood, the board can (realistically) expect the costs to be \$1,250 to \$2,500. He agreed (concerning 5/3rd bank) it is affecting the District's ability to take out loans. The faster they resolve it the better it is overall to which Supervisor Stegall asserted the issue is "our auditors". Concerning Tanglewood, the idea is not to "renegotiate that contract at this point in time". It is about acknowledging the corporation was sold 10 years ago, and the contract binds both parties (the District and Tanglewood successors). If the cost to resolve the imbalance is to spend \$1,200, then so be it. Mr. Schumacher asked for board direction to seek a formal engagement letter from Lewis Longman and Walker similar to the presented memorandum, adding a clause that costs cannot exceed \$10,000. Supervisor Stegall asserted the District cannot "renegotiate in a unilateral basis with Tanglewood", it has to be both parties coming to negotiate. If the owners of Tanglewood purchase more land the board will have to decide whether it is acceptable to honor the conditions (or not); however, at this time that is not the case. Supervisor Brooks asked if Mr. Schumacher put in the word "perpetual" to which he confirmed, elaborating to delineate the nature of the agreement. Supervisor Brooks inquired if the District were to restate its position and attempt to negotiate from there, then the existing document should be updated. Revisions should apply to outdated items, such as the reference to Unit 12. He concurred with Supervisor Stegall's concerns to which Mr. Schumacher reassured him that the surviving document only covers existing properties. Supervisor Brooks asked if that should be stated in the contract to which Mr. Schumacher explained how that is the complication.

DRAFT

Any revision requires both parties' consent, adding to a contract differs from eliminating certain details to which Supervisor Brooks voiced his opinion, they should redo it considering the original contract is 25 years old. Mr. Schumacher affirmed his willingness to proceed to which Supervisor Stegall said if he were in Tanglewood's position he would not want to negotiate. He asked if the idea is solely to document the change in ownership from 15 years ago to which Mr. Schumacher confirmed. Supervisor Hotelling reviewed how the discussion came up during public comment and said the goal is to "clean up" the document without renegotiating the entire agreement. Getting a second opinion has, "some validity" even if the response is not what the District hoped for. Supervisor Brooks moved to retain Lewis, Longman and Walker to provide a second opinion on the 5/3rd debt and Tanglewood agreement, Supervisor Hotelling provided the second.

With no further board or public comment, the motion was put to board vote.

Roll Call: Supervisor Stegall- Y; Supervisor Brooks- Y; Supervisor Gilpin- N; Supervisor Hotelling- Y; President Branson- Y

With a vote of 4-1, the motion to retain Lewis, Longman and Walker to provide a second opinion on the 5/3rd debt and Tanglewood agreement passes

6. Petitions and Communications

7. Staff Reports

8. General Counsel Report:

Mr. Schumacher reported motions of default have been filed for the DFC foreclosures to which service on two of the three banks has occurred; subsequently, there may be a technical issue pertaining to the third institution's "return of service".

DRAFT

He reached out to counsel for the bank of New York Mellon to see if the issue is substantial enough to warrant re-service. They scheduled the motions for entry during the week of May 13th. This puts the District closer to a default judgement that will enable the initiation of a foreclosure sale. He referenced land use revisions (for the “tiny house” issue) and confirmed the county attorney has remitted a response. They have addressed this and sent it back to her, along with management’s concerns related to the “issues they raised”. Ms. Cannady met with Commissioner Ron Handley to consider a meeting to get the initiative “moving forward”. One detail questioned was if the District would have to get permission from all landowners to which he believes the “case law does not support” the assumption. Municipalities and local governments retain the right to adjust zoning ordinances based on their “police power”. The final step (after addressing these questions) is to get the revisions in front of the Board of Commissioners for a final determination. He notified the board that he must leave after Item #15 of the agenda because of a conference.

9. General Manager’s Report:

Ms. Cannady began her report with project updates starting with the “final drainage project for this fiscal year” scheduled to go out for bid the week of May 13th (Gerona Avenue culverts, Columbus Boulevard swale cleaning). A resolution will come before the board June 28th to which the estimated cost is \$95,000. The kitchen and lanai expansion is scheduled to begin June 3rd, and a “pre-construction meeting” will take place with the contractor May 20th. Ms. Cannady announced the Recreation Parks and Advisory committee has scheduled a meeting for May 16th which is when she will present the shuffleboard submission. They have received a proposal for a traffic analysis now under review. She agreed to send details to the board the week of May 13th to which Supervisor Gilpin asked her if they expected the study to cost \$27,500. She answered the estimate is a cost of \$24,750.

DRAFT

10. Unfinished Business

11. New Business

12. Committee Reports

13. Public Comment

Cliff Wood- Stated he serves on the board for the Manor Hill Homeowner's Association to which his constituents and he thought the drainage project for the "northwest quadrant of Manor Hill" was included as part of the budget, only to find out it is not. He asked for an explanation to which Supervisor Brooks replied Ms. Cannady's report was on the second half of the project. He inquired if staff had a drainage report with them to which Supervisor Gilpin agreed to ask Ms. Cannady when she returned to her seat. Mr. Wood stated Mike Hurley was the individual who informed him of the project's timeline to which Supervisor Brooks inquired what street Mr. Wood was referencing. He replied, "The northwest corner of Monza Drive" to which Supervisor Brooks agreed to meet with Mr. Hurley on the subject. Supervisor Gilpin asserted Ms. Cannady may have the answer to which she requested time to revert to Mr. Wood's. Supervisor Stegall said the Unit 13-Edgewater Drive work may include the area Mr. Wood was referencing and asked if the scope of work "goes from Lake Granada all the way to the pond on 16". She confirmed, elaborating how the contractors are completing the work on Canada Drive and Fettuccine Avenue first.

Bill Norcross- Referenced the cost for the study and suggested reaching out to the Department of Transportation, who may perform the study for no cost. He was of the opinion there is a more reasonable price, or other options that will cost less. Ms. Cannady addressed the board informing them she reached out to the Department of Transportation first but received no response.

DRAFT

14. Discussion to/from Board

Supervisor Hotelling referenced an article in the newspaper about “tourism and training” voicing his surprise the District was not listed as one of the top destinations for Sebring. He suggested it be a conversation point with the marketing program; specifically, to identify how to create more “visibility” for the District.

With no further board or public comment, the meeting was recessed through general consent.

The meeting was recessed at 10:18 a.m.

The meeting was reconvened at 10:30 a.m.

15. Budget Workshop-Golf Fund

President Branson announced budget discussions would ensue, the first focus is strictly on the Golf fund to which he gave Mr. Easum the floor. He announced the goal of the workshop is to reach a point where the Golf operation will have board instruction to apply to the next draft. He agreed to review the data by department and gave Earl McMinn the floor. Mr. McMinn affirmed the budget has remained consistent compared to the current fiscal year with a major difference in “over seed to Turtle (and) the fairways”. The line item includes the cost for seed and a portion of fungicide necessary to perform the task. Tree removal has been a continual process for the diseased pine trees to which Supervisor Stegall asked if there is money set aside in the current fiscal year to remove additional trees. Mr. McMinn confirmed, adding the third installment is scheduled for the September-October date range to prepare for the season. The initial costs were more because of the amount of trees diseased and dying, which was more than expected.

DRAFT

Supervisor Stegall asked if it would be a better idea to perform the work during the course's scheduled closure to which Mr. McMinn replied he could do it; however, the timetable he used was based on the budget approval. The line item ended up coming in over budget; subsequently, after meeting with Mr. Easum it was decided that the current budget is doing well so he can pull some extra funding to perform tree removal over the summer. Supervisor Brooks asked what page Mr. Easum was pulling his information from to which he replied page 15. Supervisor Gilpin mentioned the subject of over seeding was skipped to which Mr. McMinn responded they would discuss it in greater detail. Discussions between the golf management "team" and himself on the past season confirmed a primary "complaint" in relation to the golf course which was "playability"; specific, to the fairways (Turtle Run). They measured the concept of over seeding both courses in terms of budget and need. His recommendation was to over seed Turtle Run fairways for the upcoming season. The budget line item includes the cost to purchase "padded ryegrass" (9,800 lbs), labor, chemicals and fungicide as a defense for disease." He strongly recommended the purchase because it would improve the product and offer protection for turf to which Supervisor Brooks asked if besides the fairways, he would also address the tee boxes. Mr. McMinn replied funding is there to do the tee boxes in the current fiscal year. If he could get the tee boxes into a similar condition as Deer Run, it might not be necessary. He believed a final decision would be better served if they make it at the end of fall. He will base his choice on the condition of the turf and his preference is to perform the same work as Deer. Supervisor Gilpin said his awareness of Mr. McMinn's work to over seed came from the Golf committee. He asserted that Mr. McMinn has not communicated with the board about over seeding which concerned him.

DRAFT

He was of the belief that over seeding had not occurred for three to four years and he questioned what happened to the fairways to require over seeding to which Mr. McMinn replied the course does not have to be over seeded; however, it is a recommendation based on his experience with the courses the past two years. Both seasons saw issues for the fairways; especially on Turtle Run (the current year was the worst). When he started two years ago (in December) there were irrigation issues and complications with the pump station leading to thinning in areas on Turtle Run. For that year, the turf was not healthy, and it was difficult to say why because he had not been here long enough to make a determination. That said, based on feedback from the membership, there was not enough grass for hole 17 (right side); yet, there was a lot of progress made the summer of 2018. He could not attribute a specific reason the condition of the fairways has deteriorated; however, the operation has done everything possible (ergonomically) to address it. Mr. McMinn asserted the only way he could provide a guarantee is to over seed and recounted how this technique was used to improve fairways for a Connecticut course to which Supervisor Gilpin reassured him that he has no problem with over seeding. If the board approves the over seeding, and it fails, moving forward he will no longer be in favor of the practice to which Mr. McMinn recounted his poll of the “green committee” on the subject which revealed an equal amount in favor of the practice (as against). Supervisor Gilpin asked if over seeding will take place during the course closure (Turtle Run) to which Mr. McMinn replied that would not be the case, it must be done in the fall. Supervisor Gilpin inquired what month to which he estimated late November (or early December). Supervisor Stegall asked if the budget were to be approved with over seeding, then later on he decides it is unnecessary; will he keep the funds rather than spending it anyway to which Mr. McMinn confirmed, noting Deer Run tees were a similar scenario. He agreed to keep the board apprised of the situation as it changes to which Mr. Kesling mentioned how in the previous year the courses were in good shape.

DRAFT

Supervisor Stegall said upon Mr. McMinn's arrival in December 2017, two fairways on Turtle Run were in bad condition. The reason was because of fungus that killed everything due to a lack of action to treat it in a "timely manner". The operation stopped over seeding Turtle Run the next year because Deer Run was in better condition. He agreed the goal is to improve fairways to which Mr. McMinn said remaining line items, such as growth regulators and wetting agents are used more frequently which is why they are included in the budget. The "greens fertilizer program" will continue as it has for the past two years. He admitted pre-emergent increased (slightly) to confront greens issues; however, it will also address fairway edges and clean the golf courses up. He affirmed that other than the mentioned changes there were no significant deviations from the previous fiscal year's budget. Labor increased by \$10,000 (overall) which he admitted has been the "biggest hurdle" to overcome. He is working to adjust some labor practices to increase the "pool" to which Supervisor Gilpin asked if that is because there is more staff? Mr. McMinn replied not exactly, it equates to less staff but a better quality in work performance. He confirmed an "irrigation technician" is now on staff to which they promoted internally giving the employee a raise. Supervisor Gilpin asked if Turtle Run will be closed the week of May 13th because of the aerification to which Mr. McMinn recounted how the aerifier was delivered and put to use in "high-traffic areas coming off the cart paths, (and) Turtle back nine fairways." It is a practice the golf operation will take on more aggressively because of the fairway's conditions. Supervisor Gilpin was of the impression that is work done when the courses are closed to which Mr. McMinn concurred, elaborating it will be completed during course closures as well. Supervisor Stegall noted the operation is having to "play catch up" to which Mr. McMinn agreed, expanding on the point that aerification was at one time only done a single time in a season, now it will be 5 (or 6) times in the summer.

DRAFT

He advised a golf course the size of the District's (with the same traffic), "should never go a season without doing it at least three times". Supervisor Stegall referenced the previous decision to use Milorganite (or the equivalent) to improve the fairways to which Mr. McMinn explained how they were using an equal, or a "sludge" to get the soil more organic in those areas. The idea is to do more this summer except with a different product on specific holes (10, 11, 15 and 16) to which Supervisor Stegall said there are issues with the "right side of 17 on Turtle". He was not sure why the operation would not consider making that location a "waste bunker" to which Mr. McMinn agreed hole 17 will come back before the board in the summer. Mr. Easum took the floor and pointed out how a majority of the savings (this year) was in seed as mentioned, reductions to the price of fuel and equipment (maintenance/repairs) resulting from the leasing of equipment. Supervisor Stegall complimented the landscaping on the golf course and front of the clubhouse to which Mr. Easum confirmed the focus has been on the "first impression" items which is a work in progress. Supervisor Hotelling referenced the percentage adjustments compared to the previous year's budget. He believed it would make more sense if they based the percentage change on an estimate to this year's budget. Mr. Easum agreed, saying the formulas were different to which Supervisor Stegall said he would like to see the percentage adjusted. Supervisor Brooks asked if Mr. Easum will review capital requests to which he replied it would be the last part of the workshop. He announced "membership rates" and explained his attempts to simplify the process by making a 3% increase in all categories; however, he did not take previous conversations into account. The direction from last year was to work on the over 80 and 85 membership categories. The previous decision of the board was to adjust the rates because they did not line up with the other membership categories. His recommendation is to continue to increase memberships; specifically, "a cost-of-living increase".

DRAFT

His formal recommendation is to increase the Over 80 and 85 memberships, applying a smaller increase to the rest of the categories to account for the cost of living. Supervisor Brooks stated if the board were to proceed with the same method as the previous year; in his opinion, it would mean adjusting the “Family over 80 closer to 20%”. They agreed it may not occur in a single year, it might be a two-year process. He recommended adjusting the enrollment to 25%, “on the Family 3over 85 where it is 39% right now”. Regarding increasing the remaining categories, he would leave them as is. Supervisor Gilpin agreed he was under the same impression as Mr. Easum except for not raising the other categories. Mr. Easum stated there were “large increases” in the previous budget sessions to which Supervisor Brooks voiced his agreement with not changing the method used the previous year. Mr. Easum stated that his cost for operation has increased which is why he would recommend a “cost-of-living increase”. Supervisor Stegall asked for clarification, stating he was recommending a 25% discount, they should adjust members over 80 from 30% to 25% with the expectation of dropping it to 20%. Supervisor Stegall said that would make the membership, “\$3,200 (basically) to \$3,427, a couple hundred bucks” if they did not change it to which Mr. Easum said 1% represents \$45. Ms. Cannady clarified how the increase for the Family over 80 membership is \$95.98, or at 25% (a \$228 increase). Supervisor Stegall said that would make the Over 85 membership around the same to which Mr. Easum asked if the board would want to try to do the pricing changes over a three-year period instead. President Branson stated the board is trying to avoid what happened this fiscal year with the migration from Family to Single memberships. He recommended spreading the increases out over a longer time to avoid that eventuality (i.e. instead of 5% try 2.5%). Mr. DeJesus responded but was inaudible to which Supervisor Brooks answered to try 3%, 3% then 4%. Supervisor Stegall postulated if there are no increases this year, then in time there will need to be a 4% increase in that category.

DRAFT

Mr. DeJesus spoke again but was inaudible to which Supervisor Brooks responded, "I'm not looking at the total, I'm looking at what's there for the two age groups". Supervisor Stegall voiced his apprehension in not increasing dues, even if the increase is 1% over a 5-year time period. This way there is not so much a shock as there would be with there being no increases until the fifth year. He suggested performing a 1% increase (overall), then 2.5% or 3% on the Over 80 and 85 memberships to which Supervisor Gilpin mentioned the previous year the increase was 5% for everyone except the Over 80 and 85 memberships. Supervisor Stegall said they received a higher increase to which Supervisor Gilpin affirmed his belief that it puts it into perspective. Mr. Easum clarified that the Over 80 and 85 memberships received an 8% increase to which Mr. DeJesus spoke but was inaudible. Supervisor Brooks said last year the increase was 1% generating \$10,000. Mr. Kesling spoke of the competition (Spring Lake, Highlands Ridge) asserting that regardless of the percentage, it is still a good deal compared to their rates. Supervisor Gilpin affirmed he did not consider those courses competition to which Supervisor Stegall said he was unsure what Pine Crest charges. Supervisor Brooks forewarned that the board must take care with the Family memberships because of the decrease in enrollments. He was not against foregoing an increase for this fiscal year to which Supervisor Stegall said his concern is that, "we are pre-paid greens fees players and there is no other benefit to us than getting to play golf". Mr. Kesling pointed out the benefit to being a member is social interaction between member groups (MGA, WGA, and LGA) to which Supervisor Stegall responded those interactions are all dependent upon the membership. Supervisor Hotelling mentioned complimentary recreational amenities, such as the pool, fitness center and racquet ball to which Supervisor Gilpin replied a lot of female members dropped out. In his opinion, the fact someone has allowed them to play in member tournaments has led them to believe it is acceptable.

DRAFT

Supervisor Brooks asserted that is a conversation for the MGA to which President Branson said he did not think it should be a consideration. Mr. Easum reassured the board that the Club has stayed consistent with the amount of members enrolled (300). He considered his forecast for memberships “light” because he did not account for potential members coming from the 60 new construction projects happening within the District. Supervisor Stegall replied even if that were true, all the new homes receive a Free Homebuyer Membership for their first year. Supervisor Brooks asked (except for the Over 80 and 85 category) does his constituents wish to increase membership fees to which Supervisor Stegall voiced his favor with a 1% increase. Supervisor Brooks disagreed recommending a 0% increase to which President Branson and Supervisor Hotelling concurred with Supervisor Stegall. Supervisor Gilpin disagreed with an increase to which Ms. Cannady and Mr. Easum requested confirmation on how to proceed with the Over 80 and 85 categories? President Branson recommended 3.5%, to which Supervisor Hotelling concurred. Supervisor Brooks pointed out that if they approve this increase, it would leave a 7.5% variance between the categories to which President Branson responded, “It would close the gap in 4 years”. Supervisor Brooks asserted the entire process will take 5 years to which Mr. Easum said he would prefer to keep the junior and summer memberships at \$799 because it is a marketable price. Mr. Kesling agreed, adding giving young members an opportunity to experience membership now, may make them full-time members in the future. Supervisor Brooks (in review) stated all memberships will increase by 1% except for the youth and summer single enrollments to which President Branson asked why not increase the youth membership? Mr. Kesling replied that it is his belief the more youth playing golf the better it is for replenishing the membership. If they increase the fee, he speculated the memberships in that category will decrease. Supervisor Stegall asserted a 1% increase calculates to \$3 to which Mr. Kesling contended it is the board’s decision.

DRAFT

Supervisor Hotelling announced the youth and summer enrollments will remain to which Mr. Easum asked the board to consider the Free Homebuyer membership. Supervisor Brooks said he had brought the subject up (last year) and was told it did not represent a budget issue so they would discuss it in December. A vote of 3 to 1 took place in December to continue the program to which Mr. Easum stated a lot of the “no” marks in his analysis of renewals are Canadians who will return for the winter. He felt some information is misleading to which Supervisor Gilpin affirmed he knew of at least five Canadian members who will renew in the fall. Supervisor Stegall confirmed he spoke with a few realtors who agreed to reflect on the subject and get back to him; which in his opinion, proves not even the realtors feel it is a “good selling point.” Mr. Easum asked if the Club is “leaving money on the table” and is there enough data to make an informed decision. Although, he agrees there should be a deal because new homes cost money, he is unsure if the Free Homebuyer membership is the right incentive to which Supervisor Brooks confirmed that he would be in favor of doing away with the program. He voiced his willingness to incentivize first time memberships having nothing to do with purchasing property. Mr. Kesling agreed with the decline in membership totals there must be an incentive to which Supervisor Stegall reminded his constituents citizens subsidized the Club. His preference is to see a new resident reaping the benefit, rather than a non-resident. Mr. Easum stated there are a few members who live outside of the District; however, there is no program to (actively) recruit members (i.e. first time member discounts at 50%) to which Supervisor Stegall said he could agree to a discount such as that. Mr. Easum asked if the board would like him to come to the next board meeting with a proposal to which Supervisor Gilpin voiced his preference to leave the program as is.

DRAFT

Supervisor Brooks said the wording on the resolution ensures the offer until December, then asked if the board must keep the program to which Ms. Cannady responded all that they require to end or change it is a resolution implementing a new program based on board recommendations. Supervisor Stegall agreed with Mr. Easum's suggestion to come back to the board with a proposal to which Supervisor Hotelling said he would have become a member had the program been offered to him when he purchased. He has not joined the Club because of obligations to which Supervisor Brooks referenced earlier public comment and the new member's unawareness of a trail fee to which Supervisor Stegall asserted that information is included in the documentation. Mr. Easum agreed with the individual's opinion because (to him) trail fees with this program come across as not being forthright despite the language in the application. Supervisor Brooks recommended updating the content to which President Branson noted this is the first occasion he has heard it come up. Supervisor Gilpin recounted his family members who purchased a property in the District declined the Free Homebuyer enrollment because of the trail fee. Supervisor Stegall said he saw no issue with a 75% discount, or something similar and agreed the Club must be "straight forward or transparent" to which President Branson mentioned a discount of 75% is still an amount similar to the cost of the Free Homebuyer membership (with Trail fee). Mr. Easum stated that even if a member does not renew after the trial, the Club receives the revenue from the Trail fee to which Supervisor Brooks asked if there will be a new proposal submitted. Mr. Easum confirmed to which he clarified at the next Budget workshop (related to golf). Ms. Cannady announced the impending May 24th workshop centers on the General and Utility funds. Mr. Easum said he would bring it up at the next board meeting to which Supervisor Brooks asserted there is a lot to discuss. Mr. Kesling asked the board's opinion (collectively) on the program as it is now? President Branson recommended leaving it as is to which Supervisor Gilpin concurred.

DRAFT

Supervisor Hotelling felt that the program, “has merit” to which Supervisor Stegall agreed, adding that it should be, “more transparent”. Mr. Easum said the language in the document could use updating to which Supervisor Brooks suggested waiting until December because of the members who did not renew (but may in November). Supervisor Stegall proposed “a free membership for six months” to which Mr. Easum announced he was moving forward with public golf rates. He recounted meeting with supervisors (individually) and felt as if the board understood his goals with the proposed rate sheet. They have done a lot of advertising, “especially for Sunday play”; subsequently, the rates for May through September (for 18 holes) is \$27, and (a replay) is \$17 of which he did not feel confident with its marketability. Highlighted rates in yellow represented proposed increases (by \$1 to \$2). The chart depicted the maximum rates which he was confident rate expansion (although seemingly small) would increase the “average daily rate” to which Supervisor Stegall asked how often there are replays. Mr. Kesling explained how replay rates are typically applied to “hotel groups” whose itinerary comprises arriving for the 8:00 a.m. shotgun, dining then purchasing a replay. He attributed 70% to 80% of replays are derived from hotel groups to which Supervisor Stegall asked for an estimated total (for the year). Mr. Kesling approximated 500 and affirmed it does well to fill up space during “dead times” on the tee sheet (1:30 p.m.). Supervisor Stegall felt as if it was a complication to which Supervisor Gilpin said he travelled a lot in groups when he was working. He affirmed that groups never played a course just one time to which Supervisor Stegall said he used to pay a cart fee. Mr. Easum felt it is a way to keep the attention of the players and get them to spend more, if they stay for lunch. Supervisor Stegall stated if they extended a better deal for the “replay” they may spend even more to which Supervisor Brooks asserted Mr. Easum does not follow the rate schedule. He elaborated “the average rate (I think) outside is \$42 and change right now... going down because we’ve peaked”.

DRAFT

He speculated the cost will decrease to \$35 (or \$36) and reiterated his belief the documentation he received does not accurately represent actual figures. Supervisor Brooks referenced banquet rates and said he was not confident the Club should charge citizens as much as what they list in the proposal to which Mr. Easum responded they only charge the marked banquet rates when there is “displaced revenue”. In example, if there is a wedding that is decorating “all day Saturday”, then he charges those rates to which Supervisor Brooks argued the entire facility rental price for District citizens is (currently) \$650. The proposed rate sheet increases that to \$2,000 to which Mr. Easum attributed his reasoning to an attempt to dissuade rentals. Mr. Kesling pointed out how these rates had not been increased in years to which Supervisor Brooks was adamant they should consider how these are District residents. Mike LaMere voiced his understanding of Supervisor Brooks’ point; however, the rates also reflect the improved “capacity of the facility”. He asked his constituents how much the competition charges to which Supervisor Brooks said he had no concern for that information. His concern was not for public clientele but District citizens and asked if they thought that was acceptable to which Supervisor Stegall voiced his disapproval for the rates. He did not have concern for the \$2,500 cost to “outside residents” but argued they should consider how taxpayer money will be spent for the upgrades to which Mr. Easum asked how the board felt about \$750? Mr. LaMere asserted he does not have many District residents who rent the facility. Supervisor Brooks pointed out how, “the banquet facility for Sun ‘n Lake residents goes from \$400 to \$500” which in his opinion was a more acceptable increase. Rentals for the entire facility (if approved) would increase from \$650 to \$2,000, a figure not even close to where it was before. Mr. Easum replied that figure represents the amount of revenue the restaurant would have earned to which Supervisor Stegall asked how often this would occur? Mr. LaMere and he replied rarely to which Supervisor Hotelling asked if the non-resident rate is increasing to \$2,500 with the resident rate to \$1,500.

DRAFT

He reiterated his point that he is, “replacing that displaced revenue” an occurrence that does not happen often to which Supervisor Hotelling reviewed the reasoning for the increases included: that it is a larger facility to which Supervisor Brooks interjected voicing his disagreement with the proposed increases for District residents. Mr. Kesling contended the figure represents “displaced revenue”. Supervisor Stegall preferred the increase be close to \$750 to which Mr. Easum agreed to make the change. President Branson asked why is there “lanai rental” included on the sheet to which Mr. LaMere pointed out it is a \$0.00 rate for the proposed change. Supervisor Stegall spoke of a scenario where a District resident wants to rent the Main Dining Room, then asked if \$1,000 is an appropriate figure (considering their assessments paid for the upgrade) to which Supervisor Hotelling asked if it should decrease to \$500, or be eliminated? Supervisor Stegall assumed it would be like “Doug Coe’s wedding anniversary” to which Mr. Easum said it will be for weddings that are booked, i.e. Saturday night for the entire dining room including the lanai but who want to decorate during the day. They would rent the entire space, halting bar and lunch revenue. The price represents what would ordinarily be charged for a wedding, besides the rental to which Supervisor Stegall asked how that would even happen? Mr. Easum reassured him they will not charge a rental fee for a party that arrives at 4:00 p.m. with tables only set up because it does not “displace revenue”. Supervisor Stegall restated his question to which Mr. Easum responded they include the lanai as part of the main dining room. The banquet room would still be available to members and citizens (dining in). Using an event from May 13th as an example, Mr. LaMere stated there were 180 guests which could not fit in the banquet room. As a result, they had to close the entire main dining room (including the bar). The expansion will allow him to use the renovated section (main dining area, lanai space), banquet space and a private bar; thus, preventing members from being kicked out of the building to which Supervisor Brooks disagreed.

DRAFT

He did not believe 180 guests would fit in the banquet space per the specifications he inspected to which Mr. Easum asserted 180 guests have fit in that room before with “8-tops”. Supervisor Brooks asked how a private bar service is even possible to which Mr. LaMere replied the same as now. He voiced his disagreement with the plan because it would cause long lines at the bar to which Mr. LaMere reminded him of the private bar space that would be set up in the banquet area. Supervisor Stegall thought they removed the area from the designs to which Mr. LaMere confirmed they did take the private bar out. He agreed it is something that will need to be overcome to which Supervisor Brooks affirmed he did not understand how it will work. Mr. LaMere affirmed he had done research concerning portable kegs (which he estimated at a cost of about \$3,000). Using an MGA event as an example, Mr. Easum stated 180 guests would eat in the main dining room with the bar area; however, instead of them using the entire space (including the banquet room) there will be a partition and the banquet room will be reserved for public patrons. Supervisor Brooks postulated a scenario where he wants to drink at the bar but the MGA event is going on. He asked if that would mean he has to sit at a table in the banquet room to which Mr. LaMere replied at least he could come in for a drink (rather than being turned away). Supervisor Gilpin noted he met with Mr. Easum and thought the idea was sound; however, he asked for reassurance that should it fail, a new plan will be executed. Mr. Easum announced how the Club is closed “25 times a year”, affirming his goal is to reduce that amount substantially (if there is one, it must be for a lucrative purpose). Supervisor Gilpin said if it goes over 5, there will need to be a new plan. Mr. LaMere pointed out how at least half of the 25 closures were because of MGA/WGA events. The new plan is an attempt to decrease that frequency via a partition and use of the main dining room. He estimated at least 240 guests will fit in the renovated space to which Supervisor Brooks disagreed because (to him) it felt as if members are being led to believe the expansion is for them, yet they are being moved to the banquet room.

DRAFT

Mr. LaMere reminded him member displacement would decrease. Supervisor Gilpin reassured him the board is offering support; however, each supervisor agrees it must happen (attributing his skepticism to the practices now) to which Mr. LaMere replied the board can make recommendations; however, he cautioned that some decisions may cause a revenue loss. Mr. McMinn spoke from an outwardly perspective; the argument seemed to focus on the bar. He proposed installing a bar on each side using funds from the irrigation savings to which Supervisor Hotelling replied a full bar would take up banquet space; however, he was not averse to a temporary one. Supervisor Stegall suspected there will be no arguments, so long as closures decrease to which President Branson added the amount of people against using the banquet side is minimal. Supervisor Stegall suggested updating member trail fees because (as it stands now) it is more cost effective to use the Club's golf carts, than their own, or to rent a cart barn for \$500. Mr. Easum reviewed the Trail fee: \$300 for a single member, \$400 for families to which Supervisor Stegall asked why (as a member) would he be motivated to pay those prices? Mr. Kesling said rates should have increased years before, mentioning the starting cost \$200/\$300 to which Mr. Easum felt the figures should match. Supervisor Stegall noted he spent \$150 per month (including trail fee) when he lived in Texas for Trail fees to which Mr. Kesling replied the idea is not to incentivize using the Club's golf carts. Supervisor Stegall disagreed with charging less to use the Club's carts than to rent a cart barn to which Mr. Easum asked how many lessees are there. Mr. Kesling answered, "Not a significant amount", estimating 10 to 15. He was against going without an incremental increase each year. Mr. Easum asked if the board would be open to proceeding as Mr. Kesling recommended, starting at \$50 annually to which Supervisor Brooks voiced his agreement with increasing it to the appropriate price.

DRAFT

Supervisor Stegall recommended the increase be to \$500 to which Supervisor Gilpin gave his prediction that as members purchase homes in the District (with garages), they will not need to rent a cart barn. Mr. Kesling confirmed they always considered it a matter of convenience to which Supervisor Brooks asked if Mr. Easum will revise his proposal for “Sun ‘n Lake Resident’s banquet and trail fee numbers.” Mr. Easum polled the board for a recommendation to which Supervisor Brooks said \$500 (Supervisor Stegall’s recommendation) and \$750 for the Lanai rental. He suggested the member trail fee be (at least) \$500, with lower categories set at \$100 less to which Supervisor Hotelling asked if they would set the rental fee for the Main dining room at \$500? Supervisor Brooks inquired as to the reasoning for “lanai rentals” to which Supervisor Hotelling answered they categorized it as a non-applicable item. Mr. Easum reviewed Supervisor Hotelling’s statement concerning rental of the Main dining space (for residents) advising it would be \$500 to which Supervisor Brooks confirmed member trail fees should also be \$500. Mr. Kesling asked if the single category would be \$400 to which Supervisor Stegall confirmed. Supervisor Brooks asked if the family member trail fee will increase from \$500 to \$600 and single from \$300 to \$400 to which Mr. Kesling affirmed. Mr. Easum asked if the board wished to discuss “8:00 a.m. shotguns” to which Supervisor Stegall said he did not believe the start time mattered; it is more the finish. Mr. Kesling explained the difficulty in not knowing how many golfers there will be until three days before to which Supervisor Stegall refuted his statement. Supervisor Gilpin said in a scenario where a shotgun starts at 1:00 p.m., players can show up anywhere from 10 minutes before to the start time. Shotguns that do not start until 8:30 a.m. or 8:45 a.m. are unacceptable. He suggested that Mr. Kesling ensure the shotguns begin at the correct time because it disrupts the rotation to which he replied the disruption is from the Couples’ groups on Saturday.

DRAFT

Supervisor Gilpin disagreed, asserting it takes place on Fridays, or whenever there is an outing to which Mr. Kesling affirmed that as long as he has been at the Club (11 years), they have always started at 8:30 a.m. Supervisor Gilpin asserted they should change the procedure to which Supervisor Stegall concurred. Mr. Kesling agreed to continue as the board instructed; however, he cautioned those players may not return to the Club. Supervisor Stegall reiterated his point affirming membership who play on Saturdays are frustrated to which Mr. Kesling replied that was never the intention. Supervisor Brooks asked how many times the 1:00 p.m. shotgun is late to which Mr. Kesling replied anytime there is a Saturday event (or even on Fridays), the practice has been to schedule the 1:00 p.m. shotgun for 1:30 p.m. Supervisor Stegall asserted this is angering the membership to which Supervisor Brooks concurred. Mr. Kesling said he did not believe it to be realistic and asked what are the consequences should he fail to get the shotgun out on time? Supervisor Hotelling asked when the shotgun is scheduled for 8:30 a.m., is that the time it rolls out to which Mr. Kesling answered typically. Supervisor Hotelling asked why is it unfeasible to which he replied charity events in Highlands County (in general) permit attendees to arrive, sign in, eat breakfast, purchase range balls, mulligans and raffles, get to their cart and go through announcements before being led to the golf courses. It is not the same as a typical shotgun for the member or public play. He asserted tournaments are much more labor intensive than daily play 8:00 a.m. shotguns. Supervisor Stegall asserted the start does not have to be changed; however, tournament representatives need to be advised that if they have over a certain amount of players, then they must move off the course by a certain time. They should base scheduling for the future on the prior year's totals to which President Branson allowed for public comment.

DRAFT

Cliff Wood- Said the problem is not in the start, it is when the tournament ends. He counseled that Mr. Kesling must clarify that when it is time to end the tournament; they need to leave the course to which Supervisor Brooks asserted his belief that there should be a compromise because these courses are not private. There will be times where 1:00 p.m. shotguns will have to wait. In his opinion the issue is how many times it occurs.

President Branson believed if Mr. Kesling attempted to try (at least) with the smaller groups it should not be an issue; especially, if he does not schedule the 1:00 p.m. shotguns for 1:30 p.m. He concurred with Supervisor Stegall in that the smaller groups should be able to finish golf within 4.5 hours. Supervisor Gilpin reiterated his point that he wants 8:00 a.m. and 1:00 p.m. shotguns and wants it on record so people affected know who to complain to. Supervisor Stegall concurred to which Mr. Kesling said the intention was never to displace members. Supervisors Stegall and Gilpin asserted he does to which Mr. Kesling noted in the scope of earning revenue for the Club. Supervisor Stegall did not feel that was a valid argument to which Mr. Easum announced he understood 8:00 a.m. shotguns need to be finished by 1:00 p.m. He reassured the board that the team will do all necessary to adhere to the request. Supervisor Brooks asked if there are 130 players what would be wrong with placing them on one course and starting shotguns on the other to which Mr. Kesling said it further creates displacement for other members. Supervisor Stegall suggested allowing 8:30 a.m. shotguns (smaller groups) and informing the larger groups the shotgun must be at 8:00 a.m. President Branson referenced Supervisor Stegall's previous point that if there are large groups earning as little as \$4,000 in revenue, then the point that should be considered is whether it is worth hosting the tournaments to which Mr. Kesling said to him it represents a loss in revenue. Supervisor Hotelling said in his opinion, lost revenue over a shotgun is not as significant as \$65,000.

DRAFT

Ms. Cannady added the events mentioned raise money for the community to which Supervisor Stegall reassured her the idea is not to say, "Don't do it". She reassured the board that staff would do their best to start the shotgun at 8:00 a.m. and finish by 1:00 p.m. and although, there may be times when it does not go according to plan; everyone understands the direction of the board. Supervisor Stegall replied if there is a 10-minute delay it will not be a problem to which Supervisor Gilpin concurred, adding if it happens every so often it is understandable but supervisors receive negative feedback often.

President Branson affirmed his belief that the issue is procedural to which Supervisor Stegall added, the practice becomes the motivation for members to join elsewhere. Supervisor Hotelling referenced the focus group session he attended and based on the feedback, the Golf operation is doing, "a pretty good job". The discussion pertains to a manageable problem. Supervisor Brooks asked how many of the tournaments are hosted, noting the discussion focused on the January through April period to which Supervisor Hotelling replied it is the only time it is a problem. Mr. Kesling advised the next event is scheduled for August to which Supervisor Stegall referenced the junior event which does not draw in revenue. Mr. Kesling replied they do not shut both courses down for that tournament. Supervisor Gilpin said there has been an outing each Saturday for the past three months to which Supervisor Stegall disagreed asserting the courses are (both) closed down for the High School tournament. Supervisor Brooks asked why he is receiving incomplete information to which Mr. Kesling asserted it is complete for the high season (January through April). It centers the current discussion on "charity public events" which does not include membership events. Supervisor Brooks noted there are no complaints with member events to which Mr. Kesling said his understanding of the instruction from the board is to discontinue the shotgun schedule from 1:30 p.m. in favor of 1:00 p.m.

DRAFT

Supervisor Brooks asked if the entire conversation pertained to 8 events to which Supervisor Hotelling clarified specifically, 6 Saturdays. Supervisor Gilpin maintained his position there has been an outing each Saturday for 3 months to which Mr. Kesling elaborated there has been an outing for the past 3 weeks. Supervisor Brooks voiced his disagreement with making inaccurate statements and asked what would be a “reasonable number” of times a shotgun can go over 1:00 p.m. (so a compromise can be reached)? Mr. Kesling said he is hearing that there is no acceptable amount, but if it occurs (rarely) then there will be, “understanding from the membership”. Supervisor Hotelling referenced previous conversations with Mr. Easum concerning “revenue management”, in which he identified one recurring subject which is how the membership feels concerning their position on the operational priority list. He agreed it is an important consideration; however, when players are used to taking part in a “shotgun tournament” the club has, “reduced... ability to make money on that golf course”. If there is a large group of golfers for a 1:00 p.m. shotgun; then inadvertently, it prevents the sale of the “consecutive tee times on an average day”. He was unsure if there is a “good way to address it” to which Supervisor Stegall responded that would be a true statement if there were a demand for those slots. Supervisor Hotelling asserted they cannot establish demand without availability. Supervisor Stegall replied in this scenario it is not applicable because there is a “full shotgun in the morning” and afternoon. He contended if Mr. Kesling could end the first shotgun by 1:00 p.m., then they could “maximize use of the golf course” to which Supervisor Hotelling said he could agree. Supervisor Stegall said there is a limited demand for tee times on Saturday mornings (when this situation “typically occurs”) because of the other golf course. Mr. Kesling explained that between the Couples’ groups (in high season) there are approximately 200 players. They schedule one course for “the Wood group” with about 120 to 140 players each week. This means he shuts the course down for the afternoon shotgun.

DRAFT

The second group (Curt and Karen's Couples group), are a "forward 1:00 shotgun" which stops him from selling tee times between 11:00 a.m. and 1:00 p.m. He admitted those times are rarely filled to which Supervisor Stegall reiterated his previous statements, adding it is not a decision for the board to make; it falls on Mr. Kesling and Mr. Easum. Supervisor Hotelling said some rules made by the board make it difficult to maximize revenue to which Supervisor Stegall replied it was never a formal decision. Supervisor Hotelling said if there is a shotgun every day, then it limits the amount of revenue that can be earned to which Supervisor Stegall responded so long as there is demand. President Branson allowed for public comment.

Bill Norcross- Stated from a position as a member and "an individual player", the problem is when 8 groups are "going off the 10th hole with no one on the 1st". In his opinion, groups should have been better divided, i.e. "8 off the back, maybe 4 off the front, 4 off the back". He understood Supervisor Gilpin's point with Mr. Wood's group holding a dining reservation. He agreed with Mr. Kesling's statement regarding local events and recommended focusing on time management, e.g. have staff pick up guest bags to get them moving, along with a ranger (on the course).

President Branson moved to recess, with no board or public comment the meeting was recessed through general consent.

The meeting was recessed at 12:35 p.m.

The meeting reconvened at 1:00 p.m.

Mr. Easum started the conversation referencing the existing "10-play (punch) card" given to members upon purchase of a membership. He informed the board that anyone can use the card which is \$15 (off season)/\$25 (on season).

DRAFT

There is a small group of individuals who take an advantage, instead of joining the Club they use their friend's play cards. He asked the board their opinion on the program, recommending that (in the least) the rate increase from \$20 (off season)/\$30 (on season) with an additional condition that it be charged to a member's account. Supervisor Stegall voiced his agreement with the recommendation recounting why the program was established. Supervisor Brooks asked for a clarification on Mr. Easum's recommendation to which he replied the idea is to not remove any member benefit; the current rate is too inexpensive, and he wants to do away with the mentioned abuse of the offer. Mr. Kesling elaborated additionally, it brings in more revenue to which Supervisor Stegall asked what the lowest-priced service is. Mr. Kesling replied, "The member-guest discount card in season" is the lowest rate available and the increase to \$30 would still keep it as cost effective for members to which Supervisor Stegall agreed a guest's play should be charged to a member's account and be the lowest available rate. Supervisor Brooks asked if the idea is to give member guests 10-passes tallied on a member's tab to which Mr. Kesling replied the punch card will still be given; however, it goes on the member's account rather than as cash (or credit). Supervisor Stegall felt the member should be present to which President Branson spoke of coupons that stated as much but were never questioned. Mr. Kesling agreed it is something that can be "instituted" to which Supervisor Brooks said he was of the impression, the previous year it was a perk. President Branson said it is not at risk for being removed to which Supervisor Brooks contended by putting it on a member's account, it effectually is doing just that. President Branson disagreed, stating it is being charged but the discount still applies to which Supervisor Brooks affirmed the thought process was revenue is still coming to the Club. Mr. Easum suggested that it may, "tak(e) care of a problem that is not really a problem" because a small group of individuals are "cheating the system".

DRAFT

Supervisor Stegall knew nothing would prevent it from happening, it is just accounted for on a member's account. President Branson did not think they should allow it without the member present to which Mr. Kesling said the member would have to sign off on it. Mr. Easum asked if the board approved of the procedure of charging it to the member's account and raising the price \$5 (across the board). Supervisor Brooks was unsure if they should include a member present condition to which Mr. Kesling said if not, then it cannot be charged to the account. Mr. Easum announced the next part of the discussion would involve Capital and budget questions. He affirmed that after meeting with each supervisor (individually) and discussing the 5-year Capital plan, he determined there was need for it to be "reworked". He started with the computers (desktops and point of sale system) describing them as an important capital item because the Windows operating system will no longer be supported (on any machine). There are some "upgrade discs"; however, each computer in the building needs to be brought up to date. There are 7 computers that are over 5 years old and these units, besides the touch screen monitors, are obsolete. In 2020, all Microsoft Windows Office suites expire in the building; rather than waiting a year the plan is to have it done in October (the same time the restaurant will reopen). Basically, he is moving \$22,000 from the 5-year Capital plan (2020) to October 2019. Mr. Kesling agreed that now is the best time to do so because it is easier to do when there is not as much business. Supervisor Brooks stated he did not have a problem with the purchase; however, there needs to be an improvement on forecasting expenditures to which Mr. Easum concurred. Supervisor Brooks voiced his favor with moving \$22,000 into the budget, then asked his constituents for their opinion. Supervisors Gilpin, Hotelling, Stegall and President Branson all concurred. Mr. Easum gave Mr. McMinn the floor to which he noted he had proposed performing curbing outside the practice facility area (the range), putting green and Snack Shack.

DRAFT

The idea is to better “control traffic and random parking” to which Supervisor Brooks asked if he was referencing the area where golf carts pull in. Mr. McMinn confirmed to which Mr. Easum spoke but was inaudible. In response to his comments, Mr. McMinn confirmed saying that is a parking area now which allows for “ample parking across that putting green”. Supervisor Stegall asked if there is an estimate for the cost to which Mr. McMinn replied approximately \$15,000. Supervisors Brooks, Gilpin and Stegall agreed to which Supervisor Hotelling said he would only add that there was concern for handicap access to the driving range, curbing could make it worse. Mr. McMinn agreed to consider a break in the curbing to allow a handicap golf cart access. He continued the next item the “short game practice area” came about because of a concern for players in proximity to the practice green being hit by stray golf balls. The proposal is to use the area between holes 10 and 18 (Deer) to move the green, with some accentuated bunkers. The advantage to having it near the cart staging area for shotguns and tournaments is it would be closer than the driving range for warmups. An architect has looked at the area to make sure it is functional (and workable) and it is, based on a rendering submitted by the architect. The estimation in the budget workbook for construction cost does not include “any ancillary fees i.e. engineering”. He believed it is something the membership would benefit from to which Supervisor Brooks said he did not agree with it. Not to say that they do not need it; however, the timing is not right. He preferred that more money apply to improve the interior of the Clubhouse first. If the concern is for player injury to those “chipping”, then perhaps the goal should be to do what was done a few years ago when the chipping area had not been extended. He thought the practice area is a great idea; however, he believed they should place it in the 5-year Capital plan. Supervisor Hotelling added, recently they considered the Snack Shack “impractical to use”. He asked if that structure could be demolished in favor for a practice area to which Mr. McMinn said he would have to consider and see how to work it.

DRAFT

Originally, he worked with Ms. Cannady on the concept and considered the location right of hole 18 (where the storage building is). If closer to the Driving range, then it would be easier to the practice to which Supervisor Stegall said it is a good idea; however \$150,000 is a lot of money. He agreed that no matter the decision, safety needs to be addressed. Supervisor Brooks suggested erecting a fence until the board is ready to move forward to which Mr. Easum replied member benefits are limited. The idea was to create something for members that is tangible. Mr. Kesling said whatever the decision the fence should be installed to which Supervisor Stegall said either that or shorten the area. Mr. McMinn agreed there are several issues besides the obvious, they have known people to hit their balls across the range into the #1 fairway on Deer. The only thing that would address it is to do away with the chipping area but he is not sure that is the best thing to do. Supervisor Stegall proposed allowing the grass to grow so that they cannot hit a ball from there to which Mr. McMinn concurred it is an option. Supervisor Brooks suggested returning it to the way it was a few years ago and using the funding for something else, postponing it a little while longer. Supervisor Stegall said he agreed; however, he wanted to see the budget address some issues on the golf course that "affect playability", i.e. hole #17 on Deer. Mr. McMinn agreed it would also allow him an opportunity to adjust the numbers for a more accurate estimate. Mr. Easum asked how to address the safety concerns to which President Branson replied a barrier still needs to be erected. Supervisor Stegall said either that or shorten it to which Supervisor Brooks asked him how, considering when the area was "a 20 yard chip" no one was in danger. President Branson asserted the barrier must be resistant and aesthetically appealing to which Supervisor Brooks proposed reducing the "chip" to 20 yards, and if they still feel a net is necessary then so be it. President Branson concurred with the idea to which Supervisor Stegall reiterated his previous suggestion for growing grass in that location.

DRAFT

Mr. McMinn continued his discussion, announcing “a new synthetic turf area” with 18 stations will promote rotation during the season, especially while aerification is occurring. He described the synthetic turf as “a realistic-looking mat” that they can use with a variety of tees. Mr. McMinn explained how the purchase would help him maintain turf better January through May to which Mr. Easum said it would also allow the golf operation to close the range so it may recuperate when growth is minimal. Supervisor Brooks did not think “18 slots” will be enough for season to which Mr. McMinn replied that is the same amount as what is currently installed but it can be as long as the board prefers. Supervisor Brooks asserted that the driving range is “active” during the season and cannot be closed down all at once to which Supervisor Stegall asked how much more it would cost to increase the slots to 24? Mr. McMinn replied it ties some cost to the initial mobilization for the project. Supervisor Brooks asked how long the mat will last to which Mr. McMinn estimated 10 years, adding there are different mat grades available. Supervisor Brooks said the current unit is in “rough shape” to which President Branson disagreed. Mr. McMinn said he did not have much information, other than it was “done in-house” to which President Branson elaborated it has been installed for (approximately) 7 years. Supervisor Brooks said he would be in favor with moving forward the purchase but wanted to increase the total slots to which Supervisor Stegall concurred. Supervisor Brooks asked where it will be installed to which Mr. McMinn replied along the back (where it is now) but also flipped to the other side. President Branson asked Mr. McMinn his opinion on using 2 separate mats to which he confirmed that is the subject under discussion. He reiterated the importance of the purchase for “first impressions”, his goal is to address the front entrance of the Club which is lackluster. Drainage in that area is an issue, although there is a large storm basin, the swale between the two drives is a complication. He proposed taking the area apart, repairing the drainage to use the storm basin, then add 3 “grand live oaks” to create a more uniform (landscaped) look.

DRAFT

Supervisor Stegall asked how much he estimated the cost to be to which Mr. McMinn answered \$25,000. Supervisor Brooks asked if that would have to be added into the budget to which he confirmed. President Branson noted that would be “over and above the original \$510,000 (initially requested).” Supervisor Stegall pointed out \$150,000 had already been removed and agreed it would be money well spent to which Supervisor Brooks and President Branson concurred. Supervisor Brooks asked if the golf equipment lease must remain under capital to which Mr. DeJesus replied, “for the operating net income report” it is better to account for it under capital otherwise, it seems as if there is a higher operating subsidy in the operating account than what there actually is. Ms. Cannady elaborated that they also do it for the auditors for “financial statement purposes”. Supervisors Gilpin and Hotelling voiced their agreement with Mr. McMinn’s recommendation. Mr. Easum said he would like to discuss the restroom remodel/renovation. He stated, “... since we’ve written this we’ve just decided to go ahead and start some of the remodeling in the restrooms... We got slow enough some of the restrooms are just needing renovation and we just started... so if you look already at... if you go to the restrooms behind... in the snack bar... we already have replaced some tile and we are working on it right now... we are just going to absorb doing the restaurant tiling... and we’re going to just absorb that in the budget, this restroom really is... I guess what we’re really talking about is the stand alone restroom between Turtle 1 and Turtle 9” to which Supervisor Stegall replied, “9 and 18”. Mr. Easum continued, “I think we are all in agreement that it needs to be there... and where do we want to put it in this year’s budget (or) next year’s... I got some suggestions that if we do a restroom over there that we should incorporate some kind of area where we’re locking up a vending machine, or something just because Turtle is out in the middle of nowhere and we just don’t have the bev-cart coverage 100% of the time so, maybe that can be incorporated... when and where do we do it?”.

DRAFT

Supervisor Brooks responded, "Well, I think the most important thing is to fix the bathrooms we already got" to which Mr. Easum replied, "I agree". Supervisor Brooks continued, "So, as soon as we have money left over in that \$60,000 to do that extra bathroom, I'm in favor of it" to which Supervisor Stegall concurred. Mr. Easum asked if they should do it in the 2019 "calendar year" to which Supervisor Stegall answered as early as possible. Supervisor Brooks said the biggest issue he has is with the upkeep for those restrooms, including the water machines which should be addressed as soon as possible to which Mr. Easum voiced his understanding. Supervisor Gilpin also voiced his approval to which Supervisor Stegall announced 2 concerns he wished to discuss. He suggested installing GPS units on "at least the company carts" because often he witnesses drivers damaging the turf. President Branson asked if there is a service without screens and/or yardages to which Supervisor Stegall said he had attended a presentation of something like that at a golf show. It is a GPS unit without a screen that hangs on the golf cart which is powered from a separate battery system. He estimated for 100 carts the cost would be (approximately) \$1,800 per month to which Mr. Kesling asked for the company's information. Ms. Cannady and Mr. Easum confirmed they had the details. He noted that he has not received a complaint concerning the GPS since they removed the units (other than proximity) to which Supervisor Stegall concurred, adding his goal is to keep players from driving on the aprons. The other issue is with the driving range and ball machine. He did not understand why it is placed there considering the Club has a pro-shop to which Mr. Kesling asked if he was proposing to have the machine moved there. Supervisor Stegall answered the preference is to sell the golf balls across the counter to which Mr. Kesling replied for the amount of activity on the range, they would need more staff. Mr. Easum elaborated, proximity is one consideration. Some members who do not have a credit card purchase tokens with cash at the shop which is another point to examine.

DRAFT

For Tuesday League nights, there is a line and for these situations staff that is available must provide service on the phone and to members. Supervisor Stegall agreed if he would prefer not to do it then proceed; however, he does not think the range ball machine promotes the right image for the Club. Supervisor Brooks voiced his concern for members taking balls home to which Mr. Easum concurred. Supervisor Brooks said he had some topics he wanted to discuss and referenced the “dining room partition” line item for \$20,000 to which Mr. Easum replied the main partition between each room is original and decrepit. The purchase would replace it to which Mr. LaMere said it costs (approximately) \$1,200 just for a technician to assess what needs repair. Supervisor Stegall asked if there is a better unit to which Mr. LaMere replied he will look to find one that will not require as much maintenance and save money. Supervisor Stegall and Supervisor Brooks agreed with the purchase. He complimented the golf operation for their presentation, then referenced the 5-year Capital plan. He did not believe (after this year) it will be of any value to the operation because there are more things necessary that were not on the list. Supervisor Brooks asked that for the next presentation, those purchases be included in the 5-year Capital plan, (i.e. aqua tees, irrigation and kitchen equipment) to which Mr. Easum replied in his opinion, kitchen equipment is equivalent to air conditioners, and a maintenance item until it is no longer economically workable to repair. Supervisor Brooks reiterated his point that he wants the operation to forecast better and get ahead via projections on the 5-year Capital plan. He referenced a conversation with Mr. Easum and proposed taking a portion of the \$150,000 (from the short game practice area) for allocation to improve the interior of the Clubhouse to which Mr. Easum agreed to take the appropriate action. He asked that if any board member wish to recommend something for the 5-year Capital plan, to let him know. Supervisor Brooks asked if he would discuss hole #17 (Deer) to which Supervisor Stegall concurred stating if it is \$25,000 to repair the area then add it to the budget.

DRAFT

Supervisor Brooks asked what is the problem with hole #17 to which Mr. McMinn replied he has an idea on how to fix it. Mr. Easum agreed to include it in the workbook for the next budget workshop. Mr. Kesling asked the board's opinion concerning a "membership office" because there is not enough room with the current setup to which Supervisor Stegall said although, it would be nice to have he was unsure how it would connect to the existing facility. President Branson said he saw nothing addressing the exterior Clubhouse landscaping, as he elaborated there will be a lot needed when construction is completed to which Mr. Easum replied the idea was just to use concrete for that space. Mr. Hurley had agreed to handle the work using staff which they will discuss at the "pre-construction meeting". Supervisor Stegall believes nothing will grow in that area to which Mr. Easum asked if the board would prefer rock or pavers. He asserted as long as there is no dirt, it does not matter to which Mr. Easum agreed to change the documentation. Supervisor Brooks referenced the I-pads at (approximately) \$12,500 and a disagreement between Mr. Easum and himself on whether it should be done. Mr. Easum said he does not agree with it because it is impersonal, the point of sale system (IBS), a tee time focused system meant to function in a restaurant capacity. The add-on for the handheld portion of this point of sale software is not supported through IBS. They can do it but it will reduce the screen size; additionally, when all the computers are upgraded, he will have more available for mobile stations to which Supervisor Stegall said he could agree with his points on the complexities of multiple systems communicating. Mr. LaMere added in his conversations with the sales representatives they told him they must strap the printer to each server's hip to which Supervisor Brooks asked his constituents' opinion. Supervisor Hotelling replied he was not sure the Island View is the best place to use this system to which Supervisor Stegall agreed with the idea of a point of sale system as proposed by Supervisor Brooks; however, he is unsure with how multiple systems communicating will function.

DRAFT

He said the ideal system has a modem that can be connected to television screens for scoring. He thought it would be a nice addition to which Mr. Kesling said the Club has that capability. Mr. Easum asked if there is something specific that had not been addressed the board wished to discuss to which Ms. Cannady asked him to summarize capital. He listed the capital items: Turtle Run restrooms, upgrade the point of sale and desktops in the Club (in the 2019 calendar year), dining room partition (pending a concrete cost estimate), curbing, a practice green location (postponed by at least a year) and the front entry way to which Ms. Cannady added the estimation for the front entry is \$25,000 and the driving range mat is \$20,000 of which are a place marker. She referenced the 4-seat golf cart to which Mr. Easum responded they will remove it. Supervisor Brooks announced page 10, the “net operating income” proposed at \$10,540; voicing his disagreement with the figure as “unacceptable”. The profit estimated for the current year is \$84,170, which should be closer (if not greater) as a projection in the upcoming fiscal year to which Mr. Easum pointed out there is an extra \$25,000 allotted for over seeding. Supervisor Stegall said, “in essence you’re up \$50,000 to \$60,000... in income but up 130 in expenses”. Supervisor Stegall stated he would like them to budget for the total number of memberships to increase and suggested it be higher to which Supervisor Hotelling pointed out they have labor set to increase 3% since the prior year’s budget. He asked if the increase is accurate to which Supervisor Brooks pointed out the “net operating income” for the restaurant, asserting the estimate is “unacceptable” because it projects the operation to lose \$315,000, (\$271,756 the year before). Supervisor Brooks recounted how Mr. Easum had committed himself to earn \$20,000 back for the restaurant expansion. In his opinion, \$315,000 should decrease to \$250,000 to which Supervisor Stegall said he was unsure if that is an accurate “payroll number”; however, he could imagine nothing less than \$1,360,000 earned.

DRAFT

Supervisor Brooks asked if he agreed with \$250,000 to which he affirmed, elaborating \$100,000 may not affect the “bottom line” but at least \$70,000 should (if the District gives an additional \$80,000 for payroll). Supervisor Gilpin commented that to him it seemed the Club is doing more business but expenses continue to rise to which Supervisor Brooks said if the mentioned revenues are increased, then it “comes out of the money the District gives them” so it remains a moving target for consecutive fiscal years. He voiced his disagreement with making a commitment to Billy Casper on the subsidy to which Supervisor Stegall affirmed his belief the board never did. Mr. Easum felt that it will take a considerable amount of time for members to return to the Island View after being turned away so frequently to which Supervisor Stegall said food quality will also need to improve. Supervisor Brooks said there should be no reason the operation does not at least “breakeven”. Supervisor Stegall stated the only way for the operation to be successful is to generate more revenue which they do not want via increasing prices; they need to bring more patrons to the restaurant. He said decisions such as serving a la carte instead of buffet style (for large groups) are not conducive to the goals of the board. Supervisor Gilpin stated in his opinion, some responses he has received from the operation to these concerns have been “unacceptable” to which Supervisor Stegall recounted the history of groups and how they only accepted the first 100 people to sign up. Mr. Kesling agreed it would be possible to limit the Couple’s groups to 72 each to which Supervisor Gilpin replied if that is all that they can handle, then that is how it must be. Mr. Kesling suggested another solution may be to limit the groups to “members only” to which Supervisor Stegall pointed out the benefit of that would be the ability to have a 3 week notice for shotguns. Supervisor Brooks reiterated his goal not to lose as much revenue to which Supervisor Stegall concurred, stating incremental improvements.

DRAFT

Supervisor Gilpin said his decision to move to the District was not to renew his career aspirations but to enjoy the benefits of living in a golf community. Supervisor Brooks suggested having a discussion (at some point) about the menu items because he would like to know what they are before the grand opening to which Mr. LaMere agreed. President Branson called for public comment.

Bill Norcross- Extended his appreciation for the food provided throughout the meeting and complimented the golf Club to which there is no competition.

With no further board or public comment, the meeting was adjourned.

The meeting was adjourned at 2:26 p.m.