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**SUN 'N LAKE OF SEBRING IMPROVEMENT DISTRICT  
BOARD OF SUPERVISORS  
REGULAR MEETING  
Friday, July 19, 2019  
MINUTES**

The Regular meeting of the Board of Supervisors of Sun 'n Lake of Sebring Improvement District was held Friday, July 19, 2019, at the Island View Restaurant, 35468 Tee Time Circle, 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 Fells, Community Services Director; Mike Hurley, Facilities & Security Director; Cliff Easum, Earl McMinn, Billy Casper Golf and District Attorney, David Schumacher were present; there were approximately 17 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, August 23, 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.

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### **4. Consent Agenda**

Minutes of the Board of Supervisors' Regular meeting held Friday, June 28, 2019; Treasurer's Report and Golf Financials May 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.**

### **5. Action Agenda**

- a. Public Hearing: Resolution No. 2019-07/29-24: A resolution of the Sun 'n Lake of Sebring Improvement District to adopt the Golf facilities rates for Fiscal year 2020.

Supervisor Stegall moved to approve, Supervisor Gilpin provided the second. President Branson asked if there were concerns to which Supervisor Brooks confirmed he was against raising the membership rates. Supervisor Hotelling responded it was strange; although, he understands the "process" and approves of the rates "in general", his concern focused on approving rates prior to finalizing a budget. He referenced the impending conversation on the First-Time Homebuyer program, suggesting the board consider differentiating a resident from non-resident enrollment because the change "will encourage more outside non-resident memberships". Supervisor Brooks responded he did not disagree to which Supervisor Hotelling clarified how golf rates are up for approval and there is no "separate non-resident rate" listed in the fee schedule.

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He admitted it had never been an issue before because there are few non-resident memberships; however, that will change once they open the “first time discount”. His recommendation was to (either) establish a “higher rate” for non-residents or not extend the “first time member rate” to them. Supervisor Brooks asked if his meaning was if the new program is approved, we should add it into the fee-schedule before moving forward with a vote to which Supervisor Hotelling replied not necessarily. He believed that “in order to accommodate the other proposal we need to have a member rate for non-residents” to which President Branson asked if he was to support changing the rate “current non-resident members” are charged. Supervisor Hotelling confirmed his understanding that the rate is the same for residents and non-residents to which President Branson agreed. He replied his statement was a recommendation to, “Differentiate and add \$500 to \$1,000 for non-resident” memberships because there will be an influx of outside members resulting from the new program. He felt citizens of the District should receive some “evidence of consideration” to which Supervisor Stegall affirmed he could understand the logic; however, it would not be practical (at this time). If the club is “overrun” with these members it would be a good thing which could be dealt with at that time. He asked if the resolution presents an approval for one year noting they can always change it. Mr. Easum concurred, explaining his aspiration is to see an increase of 4-5 non-resident members. Supervisor Stegall agreed with Supervisor Hotelling’s statements concerning residents funding the golf course (to an extent), adding there is a benefit to living in a golf community. He said if the time comes, the Club can always “grandfather” any existing non-resident members. President Branson concurred, adding he would expect a lot of subscribers to be aggrieved if \$500 to \$1,000 was added to the cost of their memberships. Supervisor Gilpin suggested leaving it the way Mr. Easum proposed; however, in his opinion, he did not believe there will be a significant gain because of few renewals.

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Supervisor Stegall mentioned it cost nothing to go forward with the change (either way) and believed it was worth an attempt. President Branson reiterated the details of the resolution on the table to which Mr. Schumacher counseled the board can add a “non-resident membership rate later”. All that would be required is a publication to which Supervisor Brooks encouraged proceeding with care because there are existing members who are not residents. He recommended using a “grandfather clause” should the board move forward with Supervisor Hotelling’s suggestion. Supervisor Gilpin preferred to leave the resolution as proposed to which Supervisor Brooks added it would “price ourselves right out of the market”. Supervisor Hotelling reiterated his point, elaborating how his concern is that there will be a rise in “non-resident one year memberships at half price that may not renew”. Supervisor Brooks said he would discuss the program in its entirety if his fellow board members wanted to. Supervisor Hotelling voiced his preference to move forward with the vote, then discuss the program during the next resolution. President Branson asked for public comment.

**Paul Carolyn-** Affirmed he is not a resident of the District and asked (pertaining to the discussion of “non-residents”) if it meant... to which President Branson interjected stating the topic was solely on the new rates (not the program). He agreed to speak at the appropriate time.

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.**

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- b. Public Hearing: Resolution No. 2019-07/19-25: A resolution of the Sun 'n Lake of Sebring Improvement District to adopt the Recreation facility/Community Center fees for Fiscal year 2019-2020.

Supervisor Hotelling moved to approve, Supervisor Stegall provided the second. Supervisor Brooks asserted shuffleboard should be included in the rate schedule to which Supervisor Hotelling asked if they could add it at a later time. He replied the funding is for the upcoming Fiscal year to which Supervisor Hotelling stated the resolution centered on the rates (not the budget). Supervisor Stegall reiterated Supervisor Hotelling's statements to which Mr. Schumacher confirmed all they require is publication and a public hearing. Ms. Cannady elaborated stating an interlocal agreement has been received as of July 18<sup>th</sup>. We will present it to the board at the August 23<sup>rd</sup> meeting. Supervisor Brooks asked if the Social membership (\$10 increase) had been accounted for to which Supervisor Stegall confirmed, referencing Mr. Carolyn's previous comments, and saying an individual can be a resident and not own property, the distinction is the person must live in Sun 'n Lake.

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. Resolution No. 2019-07/19-26: A resolution of the Sun 'n Lake of Sebring Improvement District to conclude the Sun 'n Lake Homebuyer Membership Program and establish the Golf Membership Discount Program.

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

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Supervisor Brooks asked why the program had changed since the last discussion, adding it surprised him they presented it in resolution form. President Branson asked for clarification to which Supervisor Brooks replied, "The only exception would be those who have joined as summer members... (or one month members from a few years ago)... they will be eligible", he affirmed his belief this was an item not previously discussed. President Branson responded the summer membership was discussed to which Supervisor Brooks disagreed. Supervisor Stegall concurred with President Branson to which he elaborated that the "one year, seasonal membership" was not discussed (having been offered for only a short time). Mr. Easum said that they had brought it to his attention that no discussion took place about the mentioned membership to which President Branson corrected him it was a one month enrollment (not one year). Mr. Easum continued, explaining how the ideal was to "hit every one of those angles that might come up, (which) may be something we will have to make a decision about". If they collect \$799 (summer enrollment) or \$2,300 for the introductory (free) offer, he considers it a bonus. His goal was not to "preclude the 10 or 15 people that took advantage" of a one month membership a few years ago. Supervisor Brooks acknowledged his understanding and said his point is how specific information was to be given to the board about what Mr. Easum thought the conditions of the program should be; yet, they now present it in a resolution without discussion. He did not understand the reasoning for why Mr. Easum recommended exceptions for the summer memberships because (in his opinion) making a single departure "opens up a can of worms". He suggested reconsidering "homeownership as the criteria as opposed to having it wide open to anybody". Supervisor Gilpin said he believes they should attempt it, he hopes he is wrong to which Supervisor Stegall presented a "worst-case scenario" where the individual pays the Club \$2,200 (full membership).

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He agreed there will be people who take advantage to which Supervisor Gilpin reiterated his previous statement to give the program a try (despite his concerns). Supervisor Brooks asked for the reasoning why there would be an exception made for the summer enrollment (speaking of Tanglewood residents that have taken advantage of this membership). He asked if they can now join (again) in the fall for a 50% discount to which Supervisor Hotelling replied not at a discounted summer rate but off the annual rate. Supervisor Stegall using the same scenario pointed out how these individuals paid \$800 for the summer, and will pay an additional \$1,000 (or more) for the rest of the year (12-months). Mr. Easum added if the individuals were to "rejoin October 1<sup>st</sup> they will pay the full rate... \$1,600 single membership... off of the single rate for the entire year." Supervisor Stegall supported Mr. Easum stating that would mean the Club gained \$800 to which he concurred. Supervisor Stegall understood Supervisor Brooks' point but was unsure how to get around it. Mr. Easum was confident there would be "some conversion" to which Supervisor Brooks requested a commitment for a percentage. He replied "better than 50%" to which Supervisor Brooks asked his fellow board members if the policy is appropriate, or will they end up amending it after a year. President Branson replied "there is only one way to find out" to which Mr. Schumacher referenced "Whereas" clause #4, asserting clarification is needed because as it reads, "Anyone who has not previously held a golf club membership for more than three (3) months." President Branson responded it must read "three months or more" to which Mr. Schumacher asked if individuals who purchased a "one month or a summer membership are still allowed to take advantage of this program"? He confirmed to which Supervisor Brooks inquired when a one month membership was ever offered. Ms. Cannady replied four (or five) years ago to which Mr. Schumacher counseled a motion was required to make the amendment.

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Supervisor Hotelling said it made little sense to him because it would mean anyone who had a one year membership would qualify. President Branson agreed, adding “or a 3-month, or a 5-month” to which Supervisor Hotelling explained his understanding is the offer applies to “3-month memberships, or summer memberships which are... 5-months”. President Branson explained how there is a summer and 5-month membership which is available “in-season and is a much higher rate”. Supervisor Brooks responded, “So, there is one summer membership for 5-months” to which President Branson confirmed. Supervisor Brooks asked, “Why can’t you just make it say that?” to which Mr. Schumacher agreed, counseling the best way is, “to pick the two memberships that don’t preclude you from this program” (one month/summer membership). Supervisor Stegall asked if the 3-month membership effectively “precludes you” to which President Branson and Mr. Schumacher confirmed. Mr. Easum declared “you are not eligible” because the idea is to avoid scenarios where participants attempt to save \$300 by “opting in and opting back out”. Supervisor Hotelling voiced his confusion to which Supervisor Stegall clarified how the summer membership applies to specific dates (cost-\$799). The 5-month enrollment (in contrast) allows you to select your dates which “runs 5-consecutive months” designed for the Canadian demographic arriving during the winter. Supervisor Hotelling responded, “They would not be eligible for this” to which he confirmed. Supervisor Stegall added, “The ones who use to be one month... would be” and these are the only applicable enrollments. Supervisor Brooks asked how many summer memberships are there to which Mr. Easum estimated 14 to 15. Supervisor Hotelling said the idea is to which Mr. Schumacher interjected, “based on what I am hearing, the revised language would say anyone who has not previously held a golf club membership (with the exception of summer and one month memberships) can receive...”; he further asserted that any other form of enrollment does not apply.

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Supervisor Hoteling moved to approve the revised language as stated by counsel, to which Supervisor Gilpin provided the second.

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

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

**With a vote of 4-1, the motion to approve the language for Whereas clause #4, “anyone who has not previously held a golf club membership (with the exception of summer and one month memberships) can receive...” passes.**

Mr. Schumacher counseled the final step will be to declare an effective date (paragraph 2), “as to when we are going to effectively conclude the Home Buyer program”. Supervisor Stegall asked if the District must continue the program until the end of the year to which Mr. Schumacher replied that is not the case. He recommended to not issue an immediate effective date to allow proper notification for affected parties. Supervisor Stegall asked if both programs can operate concurrently to which Mr. Schumacher replied it is possible because the end date of the program (by resolution) is December 31<sup>st</sup>, 2019. If the idea is to conclude it earlier, they can enter a date into that space. Supervisor Stegall asked Mr. Easum his opinion to which he replied, he took no issue with running the programs concurrently which would offer homeowners a choice. Supervisor Hotelling said “we noticed it a year ago, through December of ‘19, is a consistency, so I support continuing through ‘19”. Mr. Easum confirmed the goal was to do away with “confusing language” while also attending to the concerns expressed about how “free is not really free”. He also noticed the conversion rate depreciated substantially, to which Supervisor Brooks asked if he were in the position of a homeowner, what option he would choose. Mr. Easum affirmed the most cost-effective alternative, then asked how he should address Tanglewood.

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Ms. Cannady stated Tanglewood residents are not property owners; therefore, they do not qualify for the homeowner program. They do, however, qualify for the new program to which Supervisor Hotelling asked Mr. Schumacher how to proceed to enact an effective date? He replied a consensus confirming the program's continuance until the end of the year (filling in December 31<sup>st</sup> in the blank) is all that is required. Supervisor Stegall, confirmed his favor with the effective date as mentioned. With no further responses, it presumed a consensus in favor with the December 31, 2019 effective date through general consent.

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

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

**With a vote of 4-1, the motion to approve the resolution (as amended) passes**

- d. Resolution No. 2019-07/19-27: A resolution of the Sun 'n Lake of Sebring Improvement District to award the Dining Room Furniture project designated as RFP 19-06 to Beltram Foodservice Company for \$53,753.21. Supervisor Gilpin moved to approve, Supervisor Hotelling provided the second. Supervisor Brooks asked Mr. Easum why he opted for the vendor not to put the tables together to which he replied in order for them to do so, they would have had to arrange for someone from Sarasota to come to the District, incurring additional costs. He was confident that Simon and he could handle the work to avoid the \$1,500 charge. Supervisor Stegall asked if the purchase would be for "that room" pointing towards the main dining room, "not this room" referencing the banquet room to which Mr. Easum confirmed. Supervisor Stegall asked what they will do with the existing inventory to which Ms. Cannady confirmed it becomes surplus and in return brought to the board for approval to sell (potentially) through Gov-Deals.

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She forewarned that a majority of the furniture is in poor condition and cannot be sold to which Supervisor Brooks asked if there is lanai furniture housed at another location. Supervisor Gilpin stated citizens have inquired about the furniture, there is an interest in the community for purchase. He asked that information be sent out to the citizens to give interested parties an opportunity to bid. Mr. Easum stated the lanai furniture is “pretty worn out, this other stuff is 10 years old plus... it’s on its last leg”. Ms. Cannady confirmed they will bring the items to the board as surplus, which will be advertised prior to sale. Supervisor Brooks asked who will be responsible for approving the furniture, i.e. color, material etc. to which Mr. Easum confirm Ms. Cannady and himself.

With no 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**

e. Discussion: Permit fees

Mr. DeJesus took the floor announcing he would review the memorandum and spreadsheet detailing the District’s current permit fees compared to management’s proposal. He equated this discussion as the first phase of a “construction permit review”. The goal of which is to “get our permits in line, have one set of standard rates, we are also reviewing our two permits trying to combine them into one”. Categories for each permit include: wastewater and water connection, driveway and batter board requirements. He referenced the spreadsheet which illustrated the current structure, separated into bonded properties and those that are not. The District is facing a situation where land escheats to the county, is purchased by developers, and then placed back on the “tax rolls”.

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A question to consider is whether to charge at the “bonded” rate because they were on the property at one time, or charge as un-bonded for there never being a payment. The basis for management’s recommendation is the fact that the District incurred no costs to construct this infrastructure. Rather it was the bondholder who never recouped their investment; therefore (as far as the District’s position), the costs incurred are only for connection. The proposal is to “go to a standardized rate, eliminating bond versus no bond, and having one set of fees across the board”. Supervisor Hotelling referenced the implication that the District incurs no expenses; proposing though that may be the case, there has been no resolution regarding 5/3<sup>rd</sup> bank and settlement may be a possibility. Mr. DeJesus agreed, adding if that were the case, any funds “recouped through the bond” will be given to 5/3<sup>rd</sup> bank. By charging the higher rate for an “un-bonded” property, would mean it would make additional revenue for something the District had no part in starting. Supervisor Hotelling acknowledged his point but countered, “it might offset some of the settlement 5/3<sup>rd</sup> might want to get resolved”. Mr. DeJesus concurred, further noting the risk of there being two sets of owners in development; a person building now would “get a deal” compared to one later on. He was unsure if that is the route the District should take considering there is always the option to assign a “special assessment”. He mentioned how purchasing a property with a bond is virtually funding the infrastructure. Should no bond be applied, then an individual is still held responsible, via the “contractor’s price, sale price or home value price”; in essence, they have already paid to connect to the District’s system which is the basis for why the recommendation is to only have the non-bonded rate. The current fee schedule appears to be “across the board”, meaning there is the same connection fee for a 3/4”, 1”, 2” through 8” meter. Management disagrees because a 6” meter (commercial property) in theory, should pay more to connect to District services due to demand and “wear and tear on our wastewater treatment/water plants”.

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The proposal presents a “prorated” system which i.e. a  $\frac{3}{4}$ ” meter is the “base standard and each meter size goes up accordingly based on the meter cost and how much it costs for us to go out there and put that meter in place”. They added new charges to the permitting fee schedule to address specific issues. First, there is no renewal requirement which means a permit can be outstanding for years with no remedy for the District. To address this management has requested that a “\$500 re-inspection fee” and a provision that “after a year, that dwelling is assessed at a full single family rate (\$350 vacant to \$700 improved lot) regardless” of the completion of the home, a final provision was written to attend to “service extensions”. A recent occurrence prompted this, a developer requested a service extension and there were no guidelines available. The proposed provision will call for the decision to be based on a third party quote, they would convey the cost of which onto the developer. Supervisor Brooks asked what steps are necessary to make the policy active (should the board approve) to which Ms. Cannady replied the District will advertise for a public hearing for formal adoption. Supervisor Brooks (in review) said that would mean the District does not have to rely on the county to which Ms. Cannady confirmed. She added Highlands County will be consulted once the guidelines are in place so they understand the procedures. Mr. DeJesus referenced a property on U.S. 27 which has bulldozers clearing the area (near Heartland National Bank); subsequently, notifications have not been received of the project/purchase. To address future scenarios such as this, a “clearing fee of \$100 per lot” has been added to the proposed fee schedule. This means they will have to come to the office to find out the charge and learn about the process. There is also a “Code Enforcement ordinance” asserting the area must be maintained. He confirmed his attempts to get information on the property, and reassured the board the “land clearing inspection” will prevent unapproved clearing, and situations where they acquire a county permit without District involvement.

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Supervisor Gilpin voiced his support to which Supervisor Hotelling referenced Mr. DeJesus' statements concerning abandoned projects and homes that are started but never completed. He was unsure how the policy will address it to which Mr. DeJesus replied it "disincentives them to prolong the construction process". It will not stop the problem but it will strongly discourage it to which Ms. Cannady added, they can also put the property under lien. Supervisor Brooks asked if a 6" connection is typically used for commercial properties to which Mr. DeJesus confirmed, adding anything over 4" is considered that. Supervisor Brooks postulated the lots on U.S. 27 will be commercial units, and read the "TBD per case" line, then asked who would be the facilitator? Mr. DeJesus replied, "We would go out to a third party company and get three quotes, and see what it costs". He read from the fee schedule: a 4" line sewer connection is \$900 now, but on the new plan it would be \$45,000. The assumption is a 6" will be even more substantial; the idea is not to discourage development by a "large commercial entity" which is why the "TBD" was listed to allow for a case-by-case basis (to promote the development through negotiation). Supervisor Stegall concurred that was his concern and stated the price is being increased considerably. He was unaware of the actual cost to do it and acknowledged the District's "significant excess sewage capacity right now" but there will be a need for an "interconnect". Mr. Schumacher reassured the board that the published rates represent the "maximum rates that we can charge", this leaves room for negotiation. Ms. Cannady provided an example stating a new construction would have the same water and sewer connection fees as they are now. They have charged no bonded rates despite board adoption in 2007 (or 2008). Supervisor Stegall said the District is actually increasing the rates because it went from \$900 to \$1,700 to which Ms. Cannady replied that is because of the inclusion of the impact fees. Mr. DeJesus elaborated once the ¾" permit "used to have a \$900 connection fee, plus an \$800 impact connection fee which was \$1,700".

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He hoped this new proposal would “streamline” the process and avoid charging 7 different fees to contractors. Mr. DeJesus noted that a majority of the homes on Pebble Beach Drive (Hornick Homes) had infrastructure installed by Raymond Hornick personally. He asked if it is fair for the contractor who put the line in (and paid the costs associated with installation) to have to pay \$8,100 in permit fees for what they installed. Supervisor Hotelling asked if management needs a vote to move forward to which Mr. Schumacher explained how the District will have to publish it, and in return present the fees in a resolution at the next meeting. Ms. Cannady recommended an effective date of October 1<sup>st</sup> to which Mr. DeJesus concurred. He confirmed he will present a “full revised permit (as a whole) that shows what the requirements are (and) the six-month renewal” all the language and fees will be on a single document. Supervisor Brooks asked if there will be one more discussion to which Mr. DeJesus replied it was his belief it is ready for a vote.

**f. Discussion: Water/Sewer Utility rates**

Mr. DeJesus announced management’s proposal to increase the water/sewer base rate by \$2.75. He asked the board to look at the comparison sheet between the District and other municipalities (which included a history of Sun ‘n Lake base rates). In 2009, the base rate was \$31 (\$12.50 water, \$18.50 sewer); in 2012, they reduced the water base rate to \$5.25 making the total base charge \$24. The proposal is to increase the water fee to \$10.50 and adjust the sewer rate to \$21 (for a total of \$31.50). Mr. DeJesus reassured the board the rate will position the District as the “second lowest in the county” other than the city of Sebring (City limits- \$41.41). He estimated (based on the average consumption) that the District’s water bill as of now is \$41.15. With the increase, it will be \$43.90 (an average consumption is 4,000 gallons). The boost will give the District \$122,000 in additional revenue driven from Utility fees.

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Management's recommendation is to add that revenue to savings (URRIF Transfer). Currently, the budgeted amount for transfer is \$537,000; once added to the URRIF the total becomes \$659,000, or \$14.85 a month/per customer. Another consideration is whether to continue to call the fund "URRIF". They originally created the account for use on specific expenditures, a later resolution (passed years ago) allowed its application towards major capital improvements, i.e. the maintenance building. Management's recommendation is to rename it to the "Capital Improvement Fund" to which Mr. DeJesus affirmed it will be restricted, which means it only can be used with board approval. Supervisor Gilpin voiced his agreement to which Supervisor Brooks explained that he was looking to have funds put away for "future capital projects that wouldn't be touched by any of us until those projects were considered, i.e. swimming pool". President Branson asked if he was looking to have funding put away for "specific projects" to which he confirmed. From his understanding the URRIF (albeit, segregated from other funds) "can be used for anything" to which Mr. DeJesus confirmed. His request is to have funds set aside which should be used for nothing else besides the capital project they assign it to; otherwise, it makes no sense to raise the rates. President Branson cautioned that creating individual funds (for each expenditure) may be excessive; although, he agrees with an account specific for the pool to which Supervisor Brooks replied that was not his meaning. He believes there must be a stipulation for a "capital expenditure fund" which ensures they can deduct no money for any purpose, other than a specific capital project "(i.e.) a serious capital expenditure of over \$500,000". He bases his concern on the fact there is no way to identify which will come first, the pool or irrigation.

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There needs to be savings “for when these things happens”; he further confirmed his position that \$122,000 is insufficient; considering the District should collect \$250,000 (annually) to which Supervisor Stegall pointed out there will already be a collection of \$625,000 if they approve the proposal. Supervisor Brooks countered those funds go to the budget, “you can’t make the budget without that \$400,000, or \$500,000 (URRIF money)” to which Supervisor Stegall disagreed. He asserted there will be no funds available in the General fund otherwise, further asserting that “you want to keep the URRIF fund separate and not use it towards anything but major capital expenditures that’s fine, in three years we’re out of money in the General fund”. Supervisor Stegall asked his fellow board members if they are in favor of the increases, further stating his belief that it is inappropriate to “answer for any future board by putting a lot of restrictions on our capital accounts”. He concurred with Supervisor Brooks’ point, the District should not balance a budget on reserve accounts; unless, there is a “major capital expenditure”. Ms. Cannady reassured the board there can be a Capital Improvement Fund (renamed from URRIF) and counseled how this would need to be discontinued via resolution. There is a balance of \$3 million in this account (allowed by the board in 2000) to which Mr. DeJesus replied “somewhere close to that”. Supervisor Stegall acknowledged the board’s understanding of the request, adding “we just don’t have it formal” to which Mr. Schumacher and Ms. Cannady confirmed. He asked how to proceed further reiterating his approval of the change in rate and the name to which Supervisor Gilpin concurred. Supervisor Brooks stated, “If it is just going to go into an account that is a miscellaneous account”, he does not approve to which Mr. DeJesus explained how the subject came up because of the budget and \$300,000 deficit. He agreed that the funds (\$122,000) will offset the deficit and will not represent savings. With that said, they only use the URRIF funds for major capital improvements, not to “offset a reserve or offset a budget, we’re using General fund reserves for that”.

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Supervisor Brooks asked whether it will increase \$560,000 (annually) to which Mr. DeJesus confirmed. He inquired what will happen when the General fund is depleted to which Mr. DeJesus expressed his confidence that will never happen because “it is part of the budget process for us to tell you there is only \$3 million in this General fund reserves”. Supervisor Brooks asked how low the fund is allowed to go to which Mr. DeJesus answered the deficit is only \$200,000. Supervisor Brooks restated his question to which Mr. DeJesus replied it depends on the budget. This is a process that takes place each year; incidentally, a deficit of this size can continue up to 15 years to which Supervisor Stegall replied that is with the assumption that there are no further changes. He clarified Supervisor Brooks’ question, “there is a recommendation as to how much capital (or reserves) we need to have and that is... six months... 90 days operations” to which Ms. Cannady replied the auditor’s recommendation is 3 to 6 months. The District has 14 months to which Supervisor Brooks pointed out that includes the URRIF. Ms. Cannady confirmed it includes all funds to which Supervisor Brooks asked if the URRIF is for “something else or for the everyday expenses, (which one is it)?” Ms. Cannady answered they do not use the fund unless they acquire board approval to which Supervisor Stegall elaborated the URRIF is a “capital improvement fund, there are other reserves” which are (approximately) \$3 million, or 6 to 7 months of operating expenses. The District has twice the amount of reserves necessary per the auditor’s recommendation to which Mr. DeJesus and Ms. Cannady concurred. He asked if management is looking for direction on whether there is an agreement to move forward to which Mr. DeJesus affirmed. Supervisor Stegall’s preference was to see the funds go into a Capital Improvement fund, and work on the operating issues on a separately. He voiced his favor with increasing the rate to which Supervisor Gilpin said his only concern is that it be left open to the current board “you can’t tie the hands of the board”.

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There should be an ability for the board to decide based on a 3-2 vote to which Mr. Schumacher reassured him there is no possibility of doing otherwise. Supervisor Hotelling voiced his confusion, stating “if we are continuing to run at a deficit that has to be supported by other funds, why don’t we just make this operating income that would reduce that deficit?” Supervisor Stegall agreed it is possible; however, the District has not completed the budget process. He did not believe they should touch reserves without a sufficient reason. There needs to be a discussion on how to increase income, reduce expenses, or prioritize capital projects to balance the budget. Mr. DeJesus explained that “on a year that we break even operationally... the URRIF calls us to transfer money from our operating account into this restricted account” to which Ms. Cannady confirmed, adding it is a process approved by resolution. Supervisor Hotelling, asked if any utility revenue marked for expenditures is transferred into the URRIF “it’s the net” to which they confirmed it was not an accurate statement. Supervisor Stegall responded, “money is transferred into... the capital improvement fund which is called the URRIF... you’re putting money back out of current funds into a capital improvement fund” to which Mr. DeJesus confirmed. Supervisor Brooks referenced the \$3 million in the account further stating the following year it will be \$3.6 million to which Mr. DeJesus affirmed. He asked for reassurance that there is no way they withdraw those funds (without board approval) and that if they apply any monies to the deficit that it be taken from the General fund to which Supervisor Stegall responded, “General fund reserves”. Ms. Cannady added, the board can approve the savings amount during the budget process. Supervisor Stegall asked his fellow board members for a consensus to which Supervisor Brooks expressed his disagreement with the amount (it should be more).

## DRAFT

Mr. DeJesus explained they recommended the increase to be more clear in sewer because, “There was an imbalance on where the base charge was, there are two sewer plants in comparison to our one water plant... our sewer operations are double”. Supervisor Stegall stated in any case, it will generate (approximately) \$50,000 revenue to which Mr. DeJesus replied there are 3,700 connections. Supervisor Stegall asked if Supervisor Brooks was suggesting a further increase on the water base rate to which he replied if there is going to be an escalation, \$0.25 is insignificant. Mr. DeJesus said management is evaluating the “total charge across what the average bill would be, the more we go up, the more that total bill goes up”. The ratio could be \$11 and \$22, the question is where the board wants to be in comparison to other municipalities. Supervisor Stegall estimated the mentioned increase would total around \$46 to which Mr. DeJesus confirmed. Supervisor Brooks referenced the 2009 rate (\$31) compared to the proposal (\$31.50), a small increase over a ten-year period. Supervisor Stegall voiced his willingness to increase the rate to \$11 to which Supervisor Brooks said the point is there is “room” for more growth. Supervisor Gilpin expressed support for an increase because we need the money to which Supervisor Stegall asked how much would he prefer. Supervisor Brooks mentioned the rate does not have to have “that relationship” to which Mr. DeJesus said “in 2009, when it was \$12.50 and \$18.50, we felt it was out of line... you were charging almost the same as sewer when there is twice the demand, twice the sewer plants”, management felt it was “inappropriate”. Supervisor Brooks recommended an increase closer to \$33 (or \$34) to which Mr. DeJesus said in looking at the averages “the average for the water base is \$14... the average for the sewer is \$29” which he identified as a problem because there may be an inconsistency, some governments do not charge a base rate only usage.

## DRAFT

He cautioned that it needs to be taken into consideration, a \$46 bill would still “be in line with other governments” to which Supervisor Stegall said he did not know why an \$11 and \$22 structure was not used to generate more revenue. Supervisor Hotelling concurred with Supervisor Stegall’s statement to which there was no further discussion from the board.

**g. Discussion: District Logo**

Ms. Fells reviewed each logo and confirmed World Design Marketing (WDM) had provided a proposal for the “rebranding and marketing campaign going forward”. As of now, the marketing initiative is holding until the board approves a logo because it is important to the overall campaign. Supervisor Brooks voiced his approval with WDM’s recommendation to which Supervisor Stegall concurred. Supervisor Hotelling said his only concern is that “golf” has been taken out of the logo, making the “sun look less like a golf ball which makes golf even less of the concept and confusing.” He voiced his favor with keeping the existing golf ball on the logo if they make the decision to do away with, “golf and recreation” to which Mr. Schumacher and Supervisor Stegall concurred. Supervisor Brooks asked if the idea is to keep the golf ball on the left (original) with the wording on the right (Florida’s Centerpiece Community) to which Supervisor Stegall confirmed. Supervisor Brooks and Gilpin voiced their approval to which Ms. Cannady asked if there was feedback as to the color of the golf ball. Supervisor Stegall said “I think that looks better... I think the Florida’s Centerpiece Community is fine” to which Supervisor Gilpin agreed; however, his concern is with the District’s direction in the past 7 to 8 years of “going away from what Sun ‘n Lake is and that’s a golf community”. He further voiced his disagreement with the new wording; however, he will go along with the majority. Supervisor Hotelling explained how the theory is that “golf is not the king that it used to be”; however, for the District it is. Therefore, he wants to keep the design with a golf ball.

## DRAFT

He stated “I think the concept of the Centerpiece Community with the stronger golf ball still tells you that this is a golf community”. Supervisor Hotelling postulated that “centerpiece” was a reference to the District’s location in the middle of the state, and that “we are an ideal community”. Supervisor Brooks asked what his fellow board members thought about taking Option C, “Florida’s Centerpiece Golf & Recreation Community” and using the original golf ball to which Supervisor Gilpin reiterated his statements. Supervisor Stegall replied he may be “reading more into it than is there... this is the first impression”, digital marketing will take interested parties immediately to the golf course. Mr. Easum confirmed, adding the idea is that the design should be “easier on the eyes, it’s more relaxed”. People who surf the web have a limited attention span, the goal is to (quickly) get the message out before they move onto the next thing. Another objective was to update the logo without having to spend thousands to replace the original. Supervisor Stegall pointed out a majority of District citizens do not play golf to which Mr. Easum reiterated the focus of digital media. Supervisor Brooks suggested keeping the existing logo to which Supervisor Stegall expressed his approval with the proposal along with Supervisor Hotelling’s suggestion of using the old golf ball. Mr. Schumacher reminded the board that they are viewing these changes on a “big screen”, most of the time viewers will see this on their phone (or tablets). He further stated, “The newer golf ball (with less dimples) is not going to show up, it’s going to show up as an orange dot.” Supervisor Stegall said logos are designed to be “clean, immediate and the fewer words, the better.” He further suggested keeping the blue shading below the golf ball which hints at a lake theme. Supervisor Stegall asked Ms. Fells if that was the feedback she required to which she confirmed.

6. Add-on item

7. Petitions and Communications

## DRAFT

### 8. Staff Reports

#### a. Omar DeJesus: Finance Report

Mr. DeJesus announced the District's award of the plaque for the 2018 Government Finance Officers Association (GFOA) Budget. On July 18<sup>th</sup>, he attended an insurance committee meeting with the county where a proposal was made to increase rates 22% because of "catastrophic claims and funding". Based on the figures he ran, the estimate is that it will cause an \$80,000 increase for the District. The preliminary budget documents portrayed a 4% increase; however, there will now be adjustments made for health insurance on account of this new percentage to which Supervisor Hotelling asked if he is considering other alternatives? Mr. DeJesus confirmed management has contacted several carriers which have been used in the past. The District has only been a part of the county's insurance plan for 2 years. We will present new information at a board meeting in the future to which Supervisor Hotelling asked if there is an insurance carrier with relationships to other "special districts in Florida and is there an umbrella account for special districts"? Mr. DeJesus confirmed there have been different pools, more recently he reached out to Public Risk Management (PRM) because they have a "group and health trust that includes not only special improvement districts but other counties... it's a larger pool". He agreed to present the board with different options to which Supervisor Hotelling agreed that a catastrophic loss can cause major financial ramifications. Supervisor Gilpin referenced the "Developer inside Deer", then asked if they purchased the lots and decided to move forward to which Mr. DeJesus replied he is in communication with Tasha (at the county) and an extension has been granted to the developer because of "some building ordinance that prevented a Polk county contractor from developing in Highlands county". They have scheduled meetings to meet with the developer to see if there can be a "resolution". Supervisor Gilpin asked how many lots it affects to which he replied 25.

## DRAFT

b. Cliff Easum-Earl McMinn: Golf Report

Mr. McMinn referenced statements by Mr. Easum at a previous meeting concerning new gold tees at hole #5 (Turtle Run). The proposal is to relocate the tee “to the left of the cart path just past where the comfort station is... (the) palmetto grouping... points you straight down the fairway.” It would have almost the same yardage (10 yards forward from the current tee) and the existing tee will stay where it is. Supervisor Brooks asked if it would be closer to the restrooms to which Mr. McMinn confirmed. Supervisor Gilpin elaborated it would be behind them to which Supervisor Brooks asked why only the gold tee is to be moved, why not the white tee to which Mr. McMinn said they can move both. Supervisor Brooks said that “visually” the gold tees should have the same challenges as the white. Mr. Easum said hole #5’s tee is considered small, the idea is to “get off of that tee... we want to close down that tee and re-sod it”. He further pointed out how it would be near the irrigation coming off of the “red tee.” Supervisor Brooks asked how much that will cost to which Mr. McMinn replied \$2,000 (from start to finish). Supervisor Stegall confirmed there seemed to be a lot of support for the idea. Mr. McMinn affirmed the Mondragon project is complete, including programming. There are funds under negotiation “as far as what was done in the process of the project, what we did in house... so we don’t have a final tally”; however, right now the project is under budget. He referenced the pump station and noted trucks have been visible from the course. Mr. McMinn confirmed the “new panel and control system for the pump station is in” and is now operational, this is the first phase of the project. Although, it was planned to be done concurrently, weather complications were an issue. Later in the fall, the pump and motor will be removed which will take (approximately) two weeks. During this time the new equipment is going to be built and installed. What this means is the courses will have to be watered minimally which is one factor why he was not comfortable doing this work at this time of year.

## DRAFT

The new control system will help to conserve power and run the system efficiently (even with the existing pump and motor). This installation has enabled him to “tie-in a 40-horse jockey pump” which was inoperable since prior to his arrival. The pump is working and is the first pump to activate avoiding the use of a 125-horse power pump; especially, when the need is only for 200 gallons of water. Supervisor Brooks referenced an ice-machine is out on Deer, hole # 5 to which Mr. McMinn said from his recollection it is on Turtle, hole #5 which has been pulled. Supervisor Brooks asserted a solution is urgent given the hot weather. If the machines continually “go out”, then a potential temporary solution could be a cooler with ice. Mr. McMinn agreed and confirmed when he had the mentioned unit pulled, it was completely detailed (inside and out). In the past, they have placed coolers out there and he is unsure what to do with the machines. Unfortunately, the company that performs maintenance on the units are the only contractors in town that do this work. He continued his report, referencing a “master plan... for tying in irrigation and changes to the golf course (and the new tees)” for which he has been collaborating with an architect who has performed a lot of work at no charge. This is besides drawings for hole #17 (Deer Run), the idea is to get this specific architect to work on the master plan and compensate him for work completed (to date). Ms. Cannady has signed off on the purchase of services which cost (approximately) \$9,500. This included the charge for “construction drawings of 17... aqua tees on Deer Run and in the future (will) include the aqua tees on Turtle”. He hoped that by the next meeting he will have an estimate for costs associated with the work on hole #17 which is “on the capital right now, slated for next summer”. Supervisor Stegall asked Mr. McMinn if there have been trees removed to which he replied, “there was one tree that was not 100% dead over on the back of #5 tee on Deer (that was damaged during the hurricane)” this is besides Magnolia trees that were “severely diseased” near the green.

## DRAFT

He confirmed that “as far as any larger structural, fairly healthy trees” they have removed none. The live oak tree on hole #16 (Deer) was removed last year because of the hole in the center and evidence it hollowed the tree out of which was approved by the board. Should there be a need to remove or change a tree, then he will come to the supervisors with more information. Supervisor Stegall referenced the next phase of the “tree program” to which Mr. McMinn recounted the meeting he had with Ms. Cannady where it was confirmed what trees are next in priority. This includes “the one dead... left of Deer Run tee that’s been there by hole #1 for a while... we now have another dead one down the hole”, Pine Bark Beetles caused the damage. If it is not removed now, there will be more trees to follow “down the line”. He is working on getting pricing which will also include several dead palms to which Supervisor Gilpin noted the disease was featured in the news because it has been widespread. Mr. McMinn confirmed that they will present certain trees to the board because they are “structurally unsound” to which Supervisor Stegall mentioned the mistletoe. He affirmed his staff and he during the summer attempted to “lift trees, both for playability but also to get some of the sucker growth (and things like that cleaned up).” Mr. Easum took the floor confirming the June financials have concluded. The Club is “near budget” despite spending more in Mr. McMinn’s department. He referenced an additional crew hired from an outside staffing company, who have been handling different assignments such as bunkers, edging and removing Goosegrass. The cost for this staffing agency is (approximately) \$12,000 to \$13,000 monthly; however, there has been a substantial impact. The department is doing well financially but there have been some cuts in chemicals, in order to trim costs more. He confirmed the kitchen project is behind because of Marmer Construction’s previous obligation to Florida Hospital, but their work has concluded and they have done enough work to get the project (almost) back on schedule.

## DRAFT

Mr. Easum confirmed revenue in Food and Beverage has not done well as in previous years (for obvious reasons), and expenses are over budget in “a la carte as expected.” There will be minor profitability if it does not break-even to which Supervisor Brooks asked if there is a “penalty clause” in the contract? Supervisor Stegall confirmed to which he inquired if the board will adhere to these conditions to which Mr. Easum affirmed his big date is October 12<sup>th</sup> because of a wedding booked 2 years ago. Supervisor Brooks asked if the commitment was October 1<sup>st</sup> to which Supervisor Gilpin replied September 30<sup>th</sup>. He asked if the expenses will be like the previous year, or will they spend more (in comparison) to which he replied it will be the latter. Supervisor Brooks asserted the Club does not earn a profit because the District subsidizes \$300,000 (annually). Mr. Easum was confident the organization will do better than expected by \$80,000 to \$100,000 to which Supervisor Brooks countered if that is the case, then he should plan the upcoming fiscal year accordingly. He asked if Supervisor Brooks was confident the Club will have “two of the best years we ever had (year after year) in a row” to which he replied that his anticipation is for 3 or 4 (more). Mr. Easum asked if they should base the budget off that assumption, adding he will budget whatever figure the board assigns. He did not believe it wise to plan a budget based on the “most optimistic and best plan you can possibly hit; the weather’s absolutely perfect and everything goes exactly right” to which Supervisor Brooks replied he is budgeting for a loss, and if the board approves it, then that will be what it is. Mr. Easum reiterated his statement to which Supervisor Stegall responded this is a report, budget discussions are forthcoming. Supervisor Gilpin referenced the “cart barns” off of hole #18 (Deer Run), and asked if they are at capacity to which he replied that is not the case. Supervisor Gilpin recounted witnessing a golf cart parked in a unit which he was of the impression, no one is allowed.

## DRAFT

Mr. Hurley said it may be District property to which Supervisor Gilpin replied the idea when both cart barns were repaired was that no golf carts would be parked there. Mr. Hurley was unaware of the golf cart to which Mr. Easum agreed to investigate. Supervisor Brooks asked Mr. Hurley what he is using the cart barns for to which he replied items from the gym were stored there because it is the surplus to be housed for a couple of weeks. He objected to which Mr. Hurley answered he was unwilling to put the equipment in the rain. Supervisor Brooks asked Mr. Easum if it was appropriate to discuss "credit book policy" to which he voiced his willingness. He voiced his confusion, asking for clarification via postulating a scenario where he won \$100 of credit for participation at a tournament; however, in return he can put that towards his membership. But with the new policy that will no longer be allowed. He asked for the reasoning to which Mr. Easum questioned "why should the District subsidize your dues?" Supervisor Brooks contended various organizations (MGA, LGA etc.) paid the \$100 to which Mr. Easum responded the funds are "primarily" made through entry fees. Supervisor Stegall added the Club subsidizes the MGA and WGA to which Supervisor Brooks asserted a check is written by the MGA. Supervisor Stegall acknowledged his understanding, clarifying that check is written using Club funds. He asked how much the Club gives the MGA to which Mr. Easum replied \$7,500. Supervisor Brooks disagreed, clarifying it is \$5,500. Supervisor Gilpin voiced his support for the policy change to which Supervisor Brooks affirmed his point that he does not believe the amendment can be made until "after this year... you can't in the applications tell people what they think they would use that money for, they can't." He proposed informing the members that this is the final year they will permit it, his comments were in consideration for the northern demographic. Mr. Easum voiced his willingness to proceed as Supervisor Brooks suggested; however, it is a board decision.

## DRAFT

Supervisor Stegall voiced his acceptance of the condition to which Supervisor Gilpin said he would like to start it “this year”, as he could not understand why it was ever permitted. Supervisor Stegall speculated that they never approved it, it was something that just happened. Mr. Easum confirmed he had “allocated \$11,000 more in pro shop sales for those monies” to which Supervisor Brooks contended he would get the funds because the budget does not begin until October. Supervisor Stegall pointed out the same scenario will play out in January when the Canadian demographic returns. He recommended sending out the information to the membership to which Supervisor Hotelling asked if they base it on “calendar year” rather than “fiscal year”. Supervisor Brooks replied fiscal year to which Mr. Easum affirmed they must do it by calendar year because of members here for 3-months. Supervisor Brooks clarified his meaning, “Monies that people have started to accrue through victories as of October the 1<sup>st</sup>, cannot be used towards memberships” to which Mr. Easum responded that if the member plays on October 1<sup>st</sup>, they have already paid their dues. He recommended that they should allow Canadian members who come to apply their credit book towards dues for a final time. Supervisor Brooks reiterated “Anybody who signs up this year (regardless of when they sign up) this is the last year you can do it” to which Supervisor Stegall concurred. Supervisor Gilpin addressed Mr. Hurley, referencing the construction on Pebble Beach Drive; specifically, a swale on the west side of the area. He asked that he divert the contractor’s trucks to which Mr. Hurley confirmed he has attempted to do so (before). He affirmed that he is working on getting pricing to repair the area to which Supervisor Stegall asked if that will damage other streets. Mr. Hurley answered that is not the case, “it is just a culvert that’s bad, so we’re working on that”. Supervisor Gilpin voiced his gratitude to Mr. Hurley and Ms. Cannady for handling the “dirt level” at a property on Granada Boulevard.

## DRAFT

Supervisor Stegall expressed his appreciation for whoever is handling the “Brazilian Pepper Tree” project to which Mr. Hurley confirmed Mr. McMinn and himself are overseeing. He asked if the trees may grow into the rough to which Mr. McMinn replied, “There’s a product called Garlon, that actually kills the peppers stumps once they’re cut”, areas include: “along the left of the fourteen tee on Deer, we’ll probably plant some low grass in there just to keep that from looking like a wooded area we cut out”. Supervisor Stegall affirmed the work has improved the playability of hole #9.

### 9. General Counsel Report:

Mr. Schumacher reported on the “Castro foreclosure” confirming the plaintiff has filed a counterclaim against the District of which Mr. McClure and Loboizzo have reviewed. It bases the complaint on an “inconsistent legal opinion from one of the prior cases, so we are going to respond to that appropriately.” He moved onto the DFC Foreclosure, confirming “the motion for final default judgement” has been filed; subsequently, the expectation is for the court date to be scheduled sometime in August. He estimated the foreclosure sale date for the end of the year to which Supervisor Stegall asked if there has been any movement concerning Tanglewood or the 5/3<sup>rd</sup> bank issue. Mr. Schumacher confirmed he has received no updates and agreed to reach out to them when he returns to his office. Supervisor Hotelling asked if there has been an update from the county concerning revised zoning ordinances to which Mr. Schumacher confirmed that is not the case. Ms. Cannady confirmed she attended a telephone conference with Benn Dunn (Development Services) and Ms. Conrad (zoning). We have made the request to the Board of County Commissioners (BOCC); however, it has yet to make it onto their agenda.

## **DRAFT**

Supervisor Hotelling asked if he had an impression for what is slowing the process down to which Mr. Schumacher answered “I don’t know if they’re scared to bring it before the county, I don’t really have a feel for what the county attorney thinks but my guess is it is not going to get her recommendation just because if it causes liability; all that liability is going to fall on the county.” He was of the opinion, it will come down to whoever makes the most noise.

### **10. General Manager’s Report:**

Ms. Cannady referenced her previous statements on the interlocal agreement (50% funding for the Shuffleboard project, \$94,706) further confirming she will present it to the board at the next meeting. Upon board approval, it will be given to the county to be placed on their agenda. This will then allow the District to put the project out for bid. She reported on several meetings she attended with the Recreation Parks and Advisory Committee (RPAC) where discussions remained focused on funding. They have confirmed the county will cut the budget by (at least) 50% or more. Don Elwell, County Commissioner Liaison requested that the committee confirm priorities for upcoming years to which she submitted the District’s priority #1; Phase II (Bocce), Recreation Complex Expansion. Supervisor Stegall noted the project is budgeted (entirely) to be paid for by the District to which Ms. Cannady explained, “that is the correct way to budget, you want to budget for the entire project cost, and then the 50% would come later from RPAC (if approved).” She moved on to an update for the extra duty police officers, confirming how they have worked 18 days (3 hours each) for 54 hours total, starting the first (or second) week of June. Based on the data, there have been 38 traffic stops (36 of which have been warnings) with 2 citations. Supervisor Stegall asked if Ms. Cannady knew of the details and if speeding is as big a problem as “we were led to believe” to which she replied some stops have been suspicious vehicles. Details have not been forthcoming of which she agreed to request (from the captain) that there be more information provided.

## **DRAFT**

From her knowledge, stop signs were also a major issue to which Supervisor Stegall replied he was unsure if speeding is as much a concern as originally thought. He asked if there was an update on the traffic analysis to which Ms. Cannady replied Patricia Tice (Engineer and Planner) working with the District has completed her pull of data. Locations provided to Ms. Tice included: Ponce De Leon and Columbus Boulevard, Sunrise and Matanzas Drive, and Granada Boulevard. To collect the data, Ms. Tice used sensors of which she will present statistics in her report (approximately) 3 to 4 weeks from now. She expects to attend the meeting on September 27<sup>th</sup> to present her complete findings. Ms. Cannady complimented Ms. Tice on her work and ideas, concluding her report with an update on the paving project set to begin mid-August to which Supervisor Stegall asked for a brief on the drainage (Edgewater Drive). Ms. Cannady confirmed Dalyn Real Estate Development Corp. is starting at some point in the day. They will begin with Columbus Boulevard to which Supervisor Gilpin confirmed he had seen their vehicles present July 18<sup>th</sup>. Supervisor Stegall asked if there was an idea as to how much work still needs to be completed for Edgewater Drive to which Mr. Hurley replied the weather has delayed their progress. They will begin next week removing trees; after which, staff will perform some work in-house. Supervisor Brooks asked, "Have we done anything on the roads yet" to which Ms. Cannady repeated her previous statements concerning the mid-August commencement. Supervisor Gilpin referenced teenagers and 10-year-olds driving golf carts "all over", recounting an occurrence where there were three kids driving on the golf course to which Mr. Hurley confirmed the legal age to drive a golf cart is 14. He affirmed that when Security sees this behavior (in progress), they are stopped and a majority of the children do not have identification. Sometimes Security follows them home which has been the practice for years. He affirmed that if they drive out onto the golf course, it is difficult to catch them due to staffing limitations.

### **11. Unfinished Business**

## DRAFT

### 12. New Business

### 13. Committee Reports

### 14. Public Comment

**Javita McKinney-** Addressed Mr. DeJesus, asking if the “increase” will be permanent and do residents have a say on the subject. Mr. DeJesus confirmed it is reviewed during Budget sessions, and it is up to the board’s discretion. She voiced her support for the pool as a priority capital project, and suggested Security request student identification to which Mr. Schumacher said the District has the “authority to keep them off the golf course, but other than that it’s a law enforcement issue.” If the violators are not “of age”, then they are breaking the law. Ms. Cannady asked if this occurs during “play time” to which Mr. Hurley asserted they are “joyriding” in the late afternoon. Supervisor Stegall stated there are also people who use the golf course without paying.

**Charlie Shields-** Asked if the District must construct another water treatment plant because of growth to which Mr. Schumacher replied that it is not necessarily an “obligation” as it is more a necessity, if the population grows past a certain point. Ms. Cannady reassured him that (at this time) it is unnecessary because the District has not reached that growth. Mr. Shields asked what the “tipping point would be”, referencing Supervisor Brooks’ statement concerning the URRIF/Capital Improvement Fund and allocations for future needs. Supervisor Gilpin spoke of his experience with city council and the loan process for major expenses of this nature to which Ms. Cannady confirmed it is not included in the capital plan; however, there is a need for an “updated master plan in utilities.” She spoke of the “State Revolving Fund program” which offers 30-year loans at 0.02% (or lower) interest rates. Supervisor Stegall pointed out how the District is at (approximately) 50% to 60% sewer capacity. Ms. Cannady elaborated (specific to Unit 23) is “up to 75% and that’s with a lot of infiltration of water... that has been a big problem.”

## **DRAFT**

The District has had man-hole inspections performed; conversely, at the other plant the average is (approximately) 17% which portrays “an imbalance of where the flows are going and where they should be.” Supervisor Stegall asserted the point is “we got 10 years’ worth of growth (at least) before we need it, we probably would wind up having to interconnect the 2 wastewater plants, but we’re also doing the infiltration study.” Mr. Shields mentioned public comment had not been granted for the District logo. In his opinion, he is vehemently against the District represented as a resort because it is a golf community. He addressed Mr. Easum and referenced his statement on cut-backs for chemical expenses, asking if he was “getting rid of the fire ants” to which he replied but was inaudible.

**Paul Carolyn-** Reiterated Mr. Shield’s point, if there is a large expenditure there should be a separate line item established from “normal reserve... or capital items”. He recounted how this practice was done in his professional experience.

### **15. Discussion to/from Board**

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

**The meeting was recessed at 11:17 a.m.**

**The meeting was reconvened at 11:27 a.m.**

### **16. Budget Workshop-All Funds**

Mr. DeJesus took the floor and announced the first part of the discussion would focus on the “budget summary” page one to be followed by the Golf fund. Mr. DeJesus reviewed changes made after the previous meeting where a deficit was budgeted for \$350,000; however, revisions changed that figure to \$315,700. They made changes to the Golf fund with “minor” revisions performed to the General fund.

## DRAFT

Supervisor Stegall said “philosophically” he takes issue with a negative integer in a budget and stressed the importance of determining “how to increase the income, decrease the expenses or prioritize the capital projects.” Mr. DeJesus asked that everyone turn to page 5, and noted items highlighted represented changes from budget discussion 2 and 3. The first of which was, membership revenue (decreased by \$13,450) because of the “cash discount that takes place” and the 1% membership increase projected. The decrease brought the line item to \$1 million; subsequently, “the golf transfer in from the General fund, we split into two lines”: \$177,250 (General fund) and \$45,000 (generated from the \$70 golf course lot assessment) bringing the grand total to \$220,250. To balance the remaining Golf fund, they made reductions to golf course maintenance, general and administrative (G&A), maintenance, food and beverage, and marketing. He asked if there were questions concerning the Golf fund and revisions to which Supervisor Brooks addressed Mr. Easum, referencing the May 30<sup>th</sup> financials. He affirmed how it looks like, “you’re going to beat last year by \$103,000” to which he replied there is no way to spend more money in the summer. Mr. DeJesus confirmed how page 6 depicts the estimated actuals to which Mr. Easum confirmed it is \$103,000 “for golf this year”. The prior year was \$73,000 to which Supervisor Brooks pointed out an estimation for the upcoming year of \$58,000. Mr. Easum replied, “golf course maintenance (went) from \$569,000 to \$608,000; the biggest bulk of that is overseeding Turtle.” It represents an added expense of \$27,000 not included in the budget. He indicated sales and marketing went, “from \$55,000 to \$75,000” in anticipation of \$20,000 for “a grand re-opening and some extra marketing funds.” In actuality, the budget is about the same because the two mentioned expenses (not) in the “calendar year budget” calculate to around the same. Supervisor Brooks acquiesced to which Supervisor Stegall asked if there will be overseeding on Turtle in any circumstance? Mr. Easum replied the funding is included in the budget now to which Supervisor Stegall asked if that meant it may (or may not) occur? Mr. Easum confirmed the plan is to oversee Turtle, unless the board specifies otherwise.

## DRAFT

Supervisor Stegall asked if the recommendation is to do the overseeding, despite Turtle's excellent condition (compared to Deer) to which Mr. McMinn responded, "Based on what we had last year... I felt really good last summer, everybody was happy with Turtle... my recommendation if we want a full proof January 1 to April 30<sup>th</sup>, lusher, better fairway condition(s) on Turtle, I would recommend overseeding." For this counsel, the 2020 summer schedule (closures) will begin with Turtle Run and last for (potentially) an extra week to allow for an easier transition to which Supervisor Stegall spoke of past overseeding performed on both courses. Mr. McMinn admitted overseeding could be skipped since he expects completing 4 aerifications on fairways for this summer (compared to the single aerification the year prior). Mr. McMinn voiced his disappointment last year because despite the green's excellent condition, the fairways were an issue for many of the members who only come during a specific time of year. He had assured the Golf committee that to avoid this the solution is overseed. Supervisor Brooks asserted that he did not believe the Golf committee should make such a decision to which Mr. McMinn clarified that is not the case. It is his goal to ensure the golf courses are in excellent condition, based on the feedback he received, courses were not meeting expectations. Supervisor Brooks contended, "We don't want a repeat of last year... we want you to do what is necessary" to which Mr. McMinn replied that is why they included overseeding. Supervisor Gilpin confirmed, "I voted for it, strictly on your recommendation and the only thing I have, if it turns out as bad as it was last year, then I don't want to do it next year." Mr. McMinn reassured him the process is completely different to which Supervisor Brooks addressed Mr. Easum, referencing expenses. He stated, "It is \$40,000 for overseeding", and asked for information on the additional expense to which he elaborated it is (approximately) \$28,000 for expenses related to overseeding (Turtle), besides \$20,000 for sales and marketing. Supervisor Brooks estimated there were (roughly) \$48,000 to \$50,000 more in expenses compared to the prior year to which Mr. Easum agreed.

## DRAFT

He noted variables occur “across the board” to which Supervisor Brooks replied, “so when we see the next financial statements; (theoretically) if you’re going to make \$150,000, (then) \$100,000 would be a good number to plan for.” Mr. Easum voiced his confusion to which Supervisor Brooks affirmed he would wait to see how the next month does in relation to the financials because, “if it looks like you are trending to make \$150,000, I think you ought to plan for \$100,000.” Mr. Easum asked if they should base the budget on past trends, referencing a negative \$139,000 and \$171,000 for previous year operating income losses. He reiterated his point the 2018-2019 year had exceptional weather conditions, and golf is greatly affected by the weather. Supervisor Brooks asserted that expenses are a part of a budget to which Mr. Easum asked how it applied to his projections for next year. He plans a budget by “averaging” past yearly trends and does consider the \$103,000 projection conservative; however, he aims to earn more revenue. He reviewed the weather conditions for January through March which only experienced “two frost delays, and we never had a course closure.” Supervisor Brooks affirmed he was unconcerned with the revenues; subsequently, weather affects revenues (and expenses). Mr. Easum disagreed, asserting how if he is effective “expenses should flex” with his revenues. If he has no business in the restaurant, then he must make labor cuts to which Supervisor Brooks replied he is talking about golf. Mr. Easum stated he measures golf equally, “golf has more fixed costs... but part of our job is to flex those revenues.” He forewarned, if there is a year with relentless rain, such as every Friday and Saturday, with colder weather conditions for weeks at a time, then he is going to “flex expenses to try and help with the budget.” Supervisor Brooks repeated his statement concerning revenues, asserting how he is “challenging” the expenses because “the profitability of golf is not where... it should be, and you have yet to give me a reason that I am wrong.” He agreed to look at the upcoming financial statements to identify how Mr. Easum is trending because there will only be 3 months remaining in the fiscal year.

## DRAFT

Supervisor Hotelling postulated, “if we look at the trend line for the bottom-line, I like what I’m seeing... we were negative \$139,000, then \$171,000; we were going in the wrong direction,” then it became \$73,000, with new projections of \$103,000 (or more). He indicated the drop next year to \$58,000 as “not a good part of the trend line.” Supervisor Hotelling asked Mr. Easum if he implied that the \$73,000 and \$103,000 trends are “anomalies” to which he explained, “there are artificially increased expenses in this budget proposal” for overseeding and marketing. Mr. DeJesus added, if both of the mentioned expenses are removed, “He is budgeting for a \$100,000 projection which matches this year.” He reassured the board, “just because we set a budget of \$58,000 doesn’t mean he’s still not going to make the \$100,000.” Supervisor Brooks did not disagree; however, he contended “the expenses are based on the budget.” Mr. DeJesus counseled that there will always be deviations. Supervisor Brooks asserted that the budget is estimating a loss to which he disagreed, “if you want to take out the overseed and the marketing he’s going to budget for \$100,000.” He disputed the statement to which Supervisor Hotelling responded, “It is a decrease not a loss.” Supervisor Stegall elaborated, “He is budgeting a decrease in income currently because of two unusual expenses.” He reminded him that the board can tell him not to do either and there will be \$100,000 (an option he disagreed with). In his opinion, the Club must be “revenue driven” without planning for “excessive revenues”, given the reality of weather conditions. He referenced course and driving range fees (\$1,088,000) and the increase of average rates, voicing how revenues may be underestimated but it accounts for weather delays and unforeseen circumstances. He felt the budget proposal was “realistic” which is how it should be done. Supervisor Hotelling affirmed his partial agreement; however, he is concerned with increasing overseeding and marketing to which Mr. Easum interjected, clarifying how there can be no further increase in play (for this time period). Supervisor Hotelling asked why he is making the increases to which Supervisor Stegall contended it is to promote food and beverage. He pointed out how in the proposal golf is calculated with F&B to which Supervisor Hotelling said it should be calculated separately.

## DRAFT

Mr. Easum agreed to which Mr. DeJesus replied, “sales and marketing may be an allocation that we split differently... right now we are doing a 60:40 split (golf: food and beverage).” Supervisor Brooks stated Mr. DeJesus is considering the budget as a whole and asked if he expects the loss this year to be \$145,550 to which Mr. Easum confirmed. Supervisor Brooks referenced the expenses for the kitchen (over \$1 million) with an additional loss of \$222,250, asking if that was correct to which Mr. Easum affirmed. He queried if his fellow board members took issue with that information to which Supervisor Hotelling confirmed, noting the discussion has been completely focused on golf. Supervisor Stegall stated, “the sales and marketing expense is allocated based on a formula, so much to golf; and so much to food and beverage... the only number that really makes any difference is... \$125,000” (sales and marketing, food and beverage) to which Mr. DeJesus confirmed. Supervisor Brooks asked if this was regarding just the sales and marketing for golf to which Supervisor Hotelling replied “food and beverage, and golf... combining the two lines.” Supervisor Stegall asserted the distinction is that it is an “allocation” to which Supervisor Brooks questioned if the board will accept a \$90,000 loss? He confirmed; however, reluctantly to which Supervisor Brooks replied that he could not. With ongoing work in the kitchen, there should be \$1.5 million to \$1.7 million in sales; that said, it is unlikely to go from “zero which is where we’re going to be” to profiting, “I think we should project a transition here.” Mr. Easum showed additional expenses in food and beverage because of the continuing food service. He works to get “management coverage... I want to hire another floor manager.” This means that there are additional labor expenses not accounted for in the proposed budget, he reassured the board, “I am adding some services to take care of the membership.” Supervisor Stegall believed another \$200,000 in restaurant sales would bring the operation to a better position than it is. The issue is the volume to which Supervisor Hotelling added that money is spent on marketing with not enough return on investment.

## DRAFT

Supervisor Gilpin agreed management is “working towards it” but his objection is the lack of separation between the golf and food operations (which is starting to be rectified). As a supervisor he hears a recurring complaint that “anybody from the outside that looks at our stuff, says that we have too much management costs (as it is).” Supervisor Hotelling referenced comments made concerning not enough management which stressed a real need for a “manager on duty” (to go as far as a “mandate”) to which Supervisors Gilpin and Supervisor Stegall concurred, adding there is a need for a stronger management presence without paying for it (which is impossible). Supervisor Hotelling connected it to “better customer service, you can have a better return on margin for food and beverage at a McDonalds, than you can in a full-service restaurant.” Supervisor Brooks reiterated his position that he cannot approve the budget to which Supervisor Hotelling answered, it is difficult to justify without a return on investment. Mr. Easum pointed out how that was never the goal to which Supervisor Brooks replied it should have been a consideration. Supervisor Stegall replied, “It was an attempt to improve services for the residents of the District”, mentioning the high number of restaurant closures to support the banquet operation. Mr. Easum agreed, adding the decision was made to provide better service with the “secondary” goal of earning more revenue. Supervisor Stegall postulated if the F&B figure were \$1.6 million (sales), the operation would be close to breaking even. This is where the Club needs to be; further agreeing that Mr. Easum’s projections can be considered low for the sales margin to which he responded he is not implying that it won’t ever happen. Only that it will be closer to years 2 and 3. Mr. Easum pointed out how he will have to acclimate to the “new business” but it will take time. Supervisor Stegall referenced the venue’s reputation to which Mr. Easum replied “everyone thinks we’re private,” or anyone who has come has been turned away because of capacity. Supervisor Brooks referenced figures provided by Mr. Easum originally to which Supervisor Stegall mentioned how it was never claimed possible on the first day. He disagreed to which Mr. Easum asked for a figure the board would like forecasted.

## DRAFT

Supervisor Stegall brought up the 2018-2019 budget which had a projected loss of \$356,000; subsequently, Mr. Easum is projecting \$100,000 in revenues. Supervisor Hotelling confirmed he would prefer to see the sales margin in food and beverage increase because of the expectation of further inflation to expenses. He affirmed, "I think a little challenge there is good for everybody and will make the budget look a little better." Supervisor Stegall asked him for a figure to which Supervisor Hotelling replied \$100,000 (or more) in revenue, adjusting expenses "accordingly". Supervisor Stegall asked if he meant \$1,469,000 to which Supervisor Gilpin said he did not vote for the kitchen/lanai project to make more money, hurting citizens in the process. Mr. Easum responded, "... the message is make the money" to which Supervisor Gilpin asserted he also did not vote for the project just to see the restaurant "rented out more." Supervisor Hotelling stated Mr. Easum is searching for guidance to which he said, "You are expecting me to have a \$225,000 increase in the first year without affecting member service?" He confirmed, clarifying, "in this year you've got a reduction for the summer because you haven't had a full restaurant... so, it's not really \$225,000 because you had a decrease for the summer in this year's budget." He affirmed it is all based on estimates to which Mr. Easum confirmed he calculated the figures to make them more in line with previous years of which the temporary kitchen has helped to lessen losses. Supervisor Stegall reiterated his point of "breaking-even" and revenues "looking good from that point forward but it takes you a while to get there." He voiced his willingness to give him the 12-months to accomplish his goal to which Supervisor Brooks agreed, adding, "... the biggest problem is the board never really decided what they want the restaurant to be and went on record for it" to which Supervisor Hotelling concurred. Supervisor Stegall asserted that to promote revenue, there must be a diminishing of services to residents. To elevate earnings for the golf course would require a restriction on members for specific times and dates during the "busy season... which is a short term solution to a long-term problem." Going in this direction will ultimately lose members, thus losing revenue in return.

## DRAFT

Mr. Easum reassured the board he would never do that to which Supervisor Stegall affirmed a compromise has to be made, while “minimizing loss.” Supervisor Brooks reiterated his point that the board had not made a distinction concerning the direction of the restaurant. Supervisor Stegall announced it was time to move forward with the budget discussions to which Supervisor Hotelling asked for a consensus to accept the golf figures (as presented). Supervisor Stegall affirmed, adding he did not want to “pin him down to something that he’s got to do that will negatively impact residents” to which Supervisor Hotelling asked Mr. Easum, “... if we increase the budget revenue for the restaurant by \$100,000, do you think it would decrease what you can do for the residents and members” further asking if he would make the operation priority despite the increase to which he asserted his belief it cannot be done in the first year. Mr. Easum was confident he could do it in 2 or 3 years through building a “customer base”. He affirmed there will be a transitional period where the operation will not function as effectively; staff will need to acclimate to “100 more seats, hiring more people, a new dynamic.” Supervisor Stegall said he views the budget as transitional; however, 2020 will be a different story. Supervisor Gilpin believed that Mr. Easum had promised figures for February through March documenting how many times the banquet room was rented to which he replied, “we are actually decreasing... there are 2 (or 3) events that we’re simply just not going to be able to do.” He pointed out that the Club is losing 2 of its major events (in this calendar year) to which Supervisor Brooks asked that in the next meeting the board discusses a direction for the restaurant and finalize an agreement. Supervisor Hotelling recounted the history of the kitchen to which Supervisor Stegall asserted the board is not responsible for dictating the menu, or theme. Mr. DeJesus referenced capital and confirmed the budget figure remained at \$440,000 because nothing was added. He asked if there were questions or concerns to which Supervisor Stegall voiced his difficulty in accepting the amount of capital in relation to the deficit. He felt priorities must be determined, further adding the board is already committed to \$245,000 in equipment and the golf lease bringing the amount to allocate \$190,000.

## DRAFT

Supervisor Stegall was of the opinion, Turtle Run restrooms are the highest priority to which Mr. Easum replied the first item that can be removed is the Driving Range mat. He felt curbing and the front entrance landscaping is of the utmost importance for a better “first impression.” The priorities would be: curbing, front entrance landscaping, restrooms, tees and driving range mat to which Supervisor Stegall recommended postponing the mat to the following year, if good revenue returns are manifesting. He suspected that by April, Mr. Easum will have an idea of the revenue to which he agreed. Supervisor Stegall asked his fellow board members their opinion to which Supervisor Brooks voiced his approval with the \$440,000. Mr. Easum said depending on how ahead the District is (revenue wise), they could always move something into the current budget to which Supervisor Stegall asked Ms. Cannady if it is possible. She was inaudible in her response to which Supervisor Gilpin voiced his agreement with keeping the proposed figures. Ms. Cannady referenced Mr. DeJesus’ email to the board concerning capital, confirming “we are projecting \$200,000 to remain in the Golf Capital fund from #1, the savings from Mondragon... (and) #2 not starting the John Deere lease until 6 (or 7) months in... we could start a project with the funding that we have remaining in that account” if that is what the board prefers. Supervisor Gilpin was not in favor of making any cuts to the proposed Capital plan for the Golf fund. Supervisor Stegall was in favor of the idea to which Mr. McMinn replied, “that would make that number \$240,000 versus \$440,000.” He confirmed it was possible to start the curbing at the front entrance immediately to which Supervisor Brooks asserted the operation is already receiving \$330,000. Mr. DeJesus affirmed they project the deficit at \$1.3 million because of the kitchen. Doing as previously suggested would increase the deficit by \$1.5 million compared to the following year, “there is no excess of \$200,000 we have that million dollar kitchen sitting out there, which is a deficit in this year’s budget.” Supervisor Brooks asked if the \$1.3 million deficit will be subsidized through the General fund to which Mr. DeJesus confirmed.

## DRAFT

He replied confirming his willingness to follow his fellow board member's direction to which Supervisor Stegall responded, it gets the restrooms started which will be important in January. Supervisor Hotelling added, "It shows us still positive to last year's budget and a lesser deficit for the coming year's budget." Ms. Cannady confirmed with the board's approval, she can begin the engineering and permitting process for the Turtle Run Restrooms. Mr. McMinn will be able to commit the architect for the front entrance (within a month). Supervisor Hotelling cautioned there needs to be consideration for handicap accessibility in relation to curbing to which Ms. Cannady asked Mr. McMinn to bring concepts to the board at the next meeting. Supervisor Gilpin suggested a vending area near the Turtle Run restrooms. Mr. DeJesus took the floor and directed everyone to turn to page 19, "General fund" which had one modification to capital equipment increasing from \$65,000 to \$69,000. This reflected the removal of an edger replaced with a chipper. Supervisor Stegall asked if it is necessary to purchase a chipper to tear down a 12" tree to which Ms. Cannady replied, "no, the quote that we've given to the board... is a 12 inch", she then asked if another proposal has been requested to which Mr. Hurley responded it is a smaller one, the change was funding related. Mr. McMinn explained how the size of the unit is based on "the caliber of tree you can actually fit through the chipper itself", it does not mean that is all that can be done with it. The Club has a lot of palm fronds with fibrous material making it difficult for a chipper to process. Mr. McMinn confirmed the rule-of-thumb is, "if you're doing that (work) you up size a little bit" to avoid seizing the system. He did not recommend going with a smaller unit for this reason. Mr. Hurley confirmed the chipper can also be used in the Roads department which will save the District money on dumping fees, a \$900 a month expense. Mr. DeJesus took the floor confirming that was the only change for capital; additional budget modifications included: the golf subsidy decrease from \$256,550 to \$222,250, and adjustments in Administration and Community Services to account for the increase caused by the chipper. This would bring the reserve balance requirement to \$315,700.

## DRAFT

There was a single change in the Utility fund capital (page 38) and on page 39, they added a trash pump for \$50,000, “Overall, the number stayed the same” (\$500,000). There were only a few items swapped in exchange for the trash pump. Supervisor Stegall asked if they accounted for the increase in rates to which Mr. DeJesus replied that was not the case. He estimated the need for reserve funding will decrease to (approximately) \$180,000. Mr. DeJesus affirmed it would be included in the next proposal. Supervisor Stegall referenced Pétanque and asked if they might complete the shuffleboard courts this year to which Ms. Cannady answered that it will not be in this fiscal year because of the bid process. They will roll funds over into the next year via a budget amendment, typically presented at an October (or November) meeting. Supervisor Stegall asked if Pétanque (\$95,000) should be delayed to the following calendar year to which she replied that is not the case, confirming it can “all be done at the same time.” She felt it would make more sense to do it all at once because of “engineering and mobilization.” Supervisor Stegall felt it would bring the budget closer to a balanced figure to which she confirmed they can schedule phase I for the upcoming fiscal year (phase II can follow in 2020-2021). He asked his fellow board members their opinion to which Supervisor Hotelling replied, “there is a lot of merit in doing that, and I would like to look at the next round of budgets with that \$95,000 out.” Supervisor Gilpin was indifferent, other than stating that he would like it to be done as soon as possible. Ms. Cannady asked if they would like the next draft to have it “pushed back into the following fiscal (year)” to which Supervisors Stegall and Hotelling confirmed. He asked if the Utility Truck is new to which Ms. Cannady affirmed. Supervisor Stegall asked if this is an addition to the fleet to which Mr. DeJesus replied there are 6 employees in Utilities but only 5 trucks. The idea is to give each employee their own vehicle to perform service calls without having to ride together. It will make the operation more efficient. Supervisor Stegall voiced his support should Mr. DeJesus be of the opinion its “reasonable” to which he confirmed, adding one employee is currently riding in a gator.

## DRAFT

He asked if Shenandoah documentation was regarding the infiltration study to which Mr. DeJesus affirmed, elaborating they have spread it out over a two-year period. Supervisor Stegall asked if it is necessary to have 24 hour security, besides the Sheriff's office extra duty detail to which Supervisor Hotelling replied, "I don't see an overlap between security and the off duty patrol... (a) main benefit that residents see is that we do have 24/7 Security" he was unsure if making a budget cut in that line item is advisable. Mr. DeJesus agreed to take the information and present an updated proposal at the next budget meeting. Supervisor Stegall stated, "Ultimately, if we're going to make any sense of what we've done in this restaurant, we need to get \$2 million in sales." He further declared that residents and members must be accommodated.

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

**The meeting was adjourned at 12:34 p.m.**