

**SUN ‘N LAKE OF SEBRING IMPROVEMENT DISTRICT  
BOARD OF SUPERVISORS  
REGULAR MEETING  
Friday, February 22, 2019  
MINUTES**

The Regular meeting of the Board of Supervisors of Sun ‘n Lake of Sebring Improvement District was held Friday, February 22, 2019, at the Community Center, 3500 Edgewater Drive, Sebring, FL 33872.

The meeting was called to order at 9:00 a.m. by Vice-President Stegall.

**SUPERVISORS PRESENT:**

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

The General Manager, Tanya Cannady; Board Secretary, Chrissy Hardman; Omar DeJesus, Finance Director; Ariel Starling, Community Services Director; Michael Hurley, Facilities & Security Director; Cliff Easum, Billy Casper Golf; Drew Jones, Polston Engineering and District Attorney, David Schumacher were present; there were approximately 45 people in attendance.

Supervisor Stegall announced that he would run the meeting on behalf of President Branson.

1. Call to order-9:00 a.m.
2. Pledge of Allegiance
3. Announcements:
  - a. Next regular meeting is scheduled for Friday, March 8, 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.

#### 4. Consent Agenda

Minutes of the Board of Supervisors' Regular meeting held Friday, February 8, 2019.

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

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

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

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

#### 5. Action Agenda

- a. Resolution No. 2019-02/22-08: A resolution of the Sun 'n Lake of Sebring Improvement District to award the Kitchen Remodel and Kitchen Equipment portions of RFP 18-09 to Marmer Construction and Beltram Restaurant Equipment. President Branson moved to approve, Supervisor Gilpin provided the second. Ms. Cannady reviewed development of the project which began February 2017 when Clifford. M. Scholz Architects was hired to design plans to expand the kitchen. During the January 2018 Board workshop, discussions ensued regarding the preliminary designs, construction estimates and timeline with Mr. Scholz. In September 2018, the board approved \$1,230,000 to fund the expansion, equipment, a lanai enclosure, consultant and contingency fees. The resolution on the table is to award RFP #18-09 which comprises of four components: kitchen and lanai construction, Alternate Option #1 (Bridal suite and Service bar) and Alternate Option #2 (Kitchen equipment). The project is covered in two resolutions; however, the current motion relates only to the kitchen construction and equipment. Alternate Option #1 is not recommended by management and they received 3 bids for the kitchen, lanai and bridal suite. The recommendation is to award the project to the lowest bidder, Marmer Construction for \$563,665. There was a single bidder for the kitchen equipment (Beltram Restaurant Equipment) with the bid submitted at \$324,625.

Management's recommendation is not to purchase all items included in the bid specifications which makes the total for equipment \$185,513 (the overall approved budget is \$335,000). Supervisor Stegall called for board discussion to which Supervisor Hotelling stated he found it difficult to vote because the project's approval is part of two separate resolutions. He would have preferred to discuss both resolutions (at the same time). From his understanding of his visit with Ms. Cannady and Cliff Easum, as well as attending board meetings prior to his term; he is not confident the decision is a sound investment. The budget of \$1 million will not have a return on investment and there is no evidence to support that the District will even "break even" once they complete the project. He acknowledged his understanding that it is an amenity, but the facility is just over 10 years in age. Supervisor Hotelling wanted to be reassured that before another \$1 million is invested that it meets the needs of the community. The expansion will cause a loss in revenue during construction and with labor. He admitted there are things that can be done to improve the facility, including making the kitchen a safer work environment (without spending \$600,000). He complimented staff for their ability to lower the budget for the equipment but felt they should consider priorities. They designed the kitchen to be a "grill" operation, and now it has changed to one with more variety (a good thing if it makes profits). He asked if it is something they should do for an operation already subsidized by District funds? President Branson said he believed the operation cannot improve without adding square footage (i.e. storage, or additions to the building). He voiced his support if his constituents would prefer to downsize the budget; however, without adding square footage there will never be an improvement. Supervisor Hotelling suggested hosting a workshop before voting on the resolution to which Supervisor Gilpin voiced his support for the project despite his disagreement with the requested funding amount. The Club will not grow if the kitchen does not expand. If the project is not approved now, it would be "in two years" at a higher cost. He believed it is the right direction for the community to which Supervisor Brooks disagreed stating the restaurant makes no profits. He acknowledged his awareness of problems, adding if there is a specific issue (i.e. space), then the idea should be to fix those immediate needs.

To do so without the expense of remodeling the entire kitchen. He affirmed (despite his previous request) no one has presented a firm plan for where the restaurant is going; until that time, he does not know how the board can commit to spending. His assumption was remodeling the kitchen would lead to more closures albeit he agreed they should spend money, it should not be \$1 million. Supervisor Stegall concurred with Supervisor Gilpin's point, if the community is to progress then the focus needs to be on citizens (not just members). He believed the direction should be to better market to residents but not by closing the restaurant for events. There needs to be less indecision, and he believed the District cannot start this project over. Other capital investments approved in the past have not received a return on investment, such as the pool and tennis courts. Supervisor Stegall affirmed his question is if the project is an amenity that benefits the residents to which he called for public comment.

**Gustavo Ibanez-** Asked why the District does not invest money into infrastructure to encourage development and generate assessments, rather than expanding the kitchen.

**Michele Archer-** Announced she has been in the catering industry for many years and she believes the kitchen does need to be improved, but not for \$1 million. She was of the opinion if the lanai is enclosed it will no longer have an island view. Ms. Archer proposed adding windows and sliding glass doors; however, enclosing the area to add a conference room would be ill-advised. The highest revenue earner for the Club is banquets, and the District is not marketing enough. They should apply more money to marketing.

**Dave Halbig-** Reviewed the budget for the project and agreed it is a better figure than previously discussed (3 years ago). Mr. Halbig surmised that changes are needed in the kitchen but proposed designs are too grandiose for a kitchen. He recommended adjusting the 5-Year Capital plan to restructure the budget for realistic figures.

Supervisor Gilpin confirmed the lanai will not be closed in, the view of the lake will still be present to which Ms. Archer replied but there are no screens.

**Pat Holmes-** Said funding this project would be money well spent, and extended his appreciation to the board for their service. He affirmed if he had to vote, it would be in favor of the undertaking.

**Rick Hulbert-** Reviewed the install of curtains (approximately) a year ago on the patio and asked how much they spent to which Supervisor Brooks responded \$15,000. Mr. Hulbert summarized the project's scope of work which took place while he served as a supervisor. From what he heard from members of the community, they would rather go to Outback (or Red Lobster) for a lower cost meal than the Island View. He asserted prices are too high which is why he believes no one is dining in the restaurant. There are other needs in the community that are more important than the kitchen.

Supervisor Brooks voiced his concern that the irrigation system (for Deer Run) has been "tentatively" taken out of the 5-Year Capital plan (postponed until 2025). He forewarned that if the system were to fail, the District will not have the money to fix it. He was of the opinion, the priority should be to the golf course because without it property values plummet.

**Charlie Shields-** Said he would rather see funding for the golf course because Supervisor Brooks is correct (people come to the District for golf). The kitchen does not and Sebring has a variety of available dining venues (for less).

**Larry Bertetto-** Mentioned how the board is asserting the premise behind the project is as an amenity for citizens. He asked what statistics supports the statement non-members dine at the restaurant. Mr. Bertetto was of the impression, Sebring residents will not dine at the Club other than for banquets.

He suggested that if they will spend \$1 million, it should be on the golf course because people did not move to the District for the restaurant.

President Branson clarified the statement concerning irrigation for Deer Run affirming Earl McMinn was tasked with picking out the most critical items for the project, spreading the cost out over a number of years. He reassured the audience that aside from unforeseen circumstances, the reserves will be in a good position to be applied to repairs should a catastrophic failure (on the golf course) happen. Ms. Cannady concurred, elaborating that \$450,000 will be invested on the Deer Run course this Fiscal year which includes: a new electrical system for the pump station and greens loops (18-holes). President Branson added these items were the most critical repairs to which Supervisor Brooks vehemently disagreed. He asserted that despite a need for \$1.2 million to go to repairs, the project was pushed back to which Supervisor Stegall concurred the cost for all repairs to the golf course was estimated at \$1.2 million. However, if the course was to have such a failure the cost would be closer to \$100,000 or \$200,000. The decision was to make the previously stated repairs to Deer Run in conjunction with a re-design which will take place in a few years. Supervisor Hotelling concurred with Supervisor Stegall, adding the issue discussed bears to mind the question is money being spent appropriately with these projects. In his mind, the board (and operations) must be sure, “measure twice, and cut once”. He reiterated his request to host another workshop before taking the vote to which Supervisor Stegall called for additional public comment.

**Bob Butz-** Mentioned a lot of “hearsay” is taking place, then asked if the community had been polled to which Supervisor Brooks answered that is not the case. Mr. Butz asked why to which Supervisor Hotelling replied (from what he knows) a workshop was held January 2018 and it included public discussion. He was unsure if a distinction was made at that time to which Supervisor Stegall reiterated how participants at the workshop had an opportunity to speak. Mr. Butz voiced his disapproval with the project because he was unsure how it will benefit the community.

**Michelle Archer-** Asked if they can address irrigation before moving forward with the project to which Supervisor Brooks clarified irrigation is a “potential problem” which has not arisen yet. She voiced her concern for the \$1 million expense to which Supervisor Stegall reassured her \$1 million is the price to redo the entire irrigation system on Deer Run. Ms. Archer asked if the resolution is approved, will the District have enough money to repair the irrigation system to which Supervisor Gilpin confirmed. Supervisor Stegall elaborated how the District has \$6.5 million to which she voiced her confusion. Mr. DeJesus explained that the District’s budget is \$14 million which encompasses everything. There is (approximately) \$8.5 million in reserves; subsequently, if everything budgeted were to come to fruition to which Ms. Archer interjected, the District is going over budget. Ms. Cannady responded the District’s entire budget is \$14 million to which Ms. Archer contended revenue is only \$9 million. Supervisor Stegall elaborated the District will take from reserves \$2.5 million to which Supervisor Hotelling added, money in the bank is not only for emergencies but Capital spending too.

**Bill Norcross-** Voiced his understanding for decisions that must be made, and improvements to the Clubhouse are important. He declared it is up to the Board of Supervisors to apply funding; however, he was of the opinion speakers during Public comment are suggesting the budget be kept to a minimum. He noted how large group events puts an excessive strain on staff in the kitchen.

Supervisor Brooks asked if the discussion was relevant only to the kitchen to which Supervisor Stegall affirmed.

**Bob Butz-** Asked if there is an installer accounted for in the contract to which President Branson replied Marmer Construction would handle the necessary work.

**Rick Hulbert-** Asked if there is \$6 million in the bank (at present) to which Mr. DeJesus replied if everything included in the budget comes to fruition. Mr. Hulbert acknowledged his response adjusting his estimate to \$7 million.

He asserted that during his service figures were at \$10 million. He urged the board to reconsider using reserve funding; stating that if money is to be spent, they should then establish a method to replace it. He asked why were assessments raised and responded to replenish reserves.

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

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

**With a vote of 3-2, the motion to approve the resolution passes**

- b.** Resolution No. 2019-02/22-09: A resolution of the Sun ‘n Lake of Sebring Improvement District to award the Lanai Remodel portion of RFP 18-09 to Marmer Construction for \$205,764.

Supervisor Gilpin moved to approve, President Branson provided the second. Ms. Cannady reviewed the development of the project relevant to Mr. Scholz’s presentation (concerning the lanai). The board moved forward with Option B, the entire lanai will be air-conditioned using glass windows (on the south and west ends). There will be columns still located by the bar; however, the wall will be removed and enclosed under air conditioning. Management’s recommendation is to award the bid to Marmer Construction for \$205,764 to which Supervisor Stegall asked if there was board discussion. President Branson inquired if the difference (\$45,000) was because of this specific portion of the bid to which Ms. Cannady affirmed. President Branson referenced Ms. Archer’s previous comments and said to have the current set up and not use the square footage is a waste. Expansion of the area will also separate golfers from patrons with families which grants an advantage to the Club in accommodating a la carte business. Supervisor Gilpin stated he has sought reassurances that banquets will not interfere with Clubhouse operations. If it happens, he requested that his constituents take action to which Supervisor Brooks asked if he was requesting fewer banquets.

He replied the request is for fewer closures for members to which Supervisor Brooks disagreed stating the District is paying \$1 million for a “first class banquet facility in that kitchen” which means there should be more business. Supervisor Stegall responded his point is that members need a place, enclosing the lanai will present an opportunity to host banquets and accommodate members (at the same time). Supervisor Brooks disagreed with the lanai enclosure albeit, he thought it was a good idea at first because of the bar’s location. Supervisor Hotelling concurred, reiterating a workshop would have been more appropriate to address these questions. He disagreed with closing some lanai area off for “private meetings” because he did not see it in the bid and wondered what that will cost to which Supervisor Stegall called for public comment.

**Dave Halbig-** Asked what the expense to furnish the area will be with it enclosed because he assumed the existing furniture would be replaced to which Ms. Cannady confirmed \$30,000 has been allocated to that line item, which will be done in two phases. Mr. Halbig asked if that would be enough to cover the expense to which Ms. Cannady asserted there is a second phase, purchasing table tops (they will reuse the table bases). Supervisor Stegall elaborated the tables will be for the restaurant, not the lanai to which Ms. Cannady concurred, reiterating chairs will be replaced on the lanai because the furniture has deteriorated.

**Charlie Shields-** Said an expansion is a positive change; however, in his opinion it is also a “bait and switch”. Expansion of the lanai creates more seating capacity to justify further development of the restaurant. Supervisor Stegall noted there would be negative reactions from some board members should the Clubhouse be closed more for banquets.

**Lon Rickert-** Asked if we can section an area off as a “Member’s Lounge only” to which Supervisor Gilpin answered that is not permitted because it is a public facility. Mr. Rickert inquired if they could make the area into a “sports lounge” to which Supervisor Gilpin said the location will have televisions.

Mr. Rickert voiced his concern that members will be pushed out of the enclosed area because of “a la carte” diners to which President Branson reassured the audience that a la carte patrons will more than likely, not be sat there (unless by request). He was confident that members will gravitate to that location more.

**Charlie Shields-** Asked what legality relates to why it cannot be “Club Members only” to which Mr. Schumacher replied the District is a “quasi-governmental entity” but he agreed to research the implications.

**Gustavo Ibanez-** Inquired why the board would support making the area “members only” when all taxpayers pay for the amenity. If that were the case, then it should be Club members who pay for the project

**Bill Norcross-** Agreed the bar is a problematic area and congested and hoped the board would consider improving the location, so it has a better layout. He asked how the board intends to handle large member groups to which Supervisor Stegall reminded the audience that the District is a resident friendly environment. Most members are residents; however, there is no exclusivity.

**Dave Halbig-** Hoped the Club will address the “abbreviated schedule”, (i.e. closing at 7:30 p.m.) and was of the impression, Billy Casper Golf had a restaurant “expert” on staff. If so, that staff member should be brought to the District to identify if there are ways to improve productivity and operational efficiency to which Mr. Easum answered not to his knowledge. Supervisor Brooks asserted a representative had come to the District (a few years ago) with a recommendation to purchase \$550,000 in kitchen equipment.

Supervisor Brooks asked if the motion was to approve the resolution “as is” to which Ms. Cannady replied the vote is for Option B (as designed) by Michael Griffith.

Supervisor Hotelling asked if the concept came after the January 2018 workshop to which Ms. Cannady responded the lanai enclosure was discussed during budget sessions. There were 1 (or 2) public hearings on the budget itself; however, there was no specific workshop relevant to the lanai.

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

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

**With a vote of 3-2, the motion to approve the resolution passes.**

**c. Discussion: Popular seat voting**

Mr. Schumacher reviewed the request from the board to evaluate the verbiage to fill a Popular seat vacancy. In researching the methodologies, he assessed wording used by Lake Placid, the city of Sebring and Avon Park. According to State Statute, they must fill the seat, “within 45 days” and the ordinance matches this statement. The District is looking to make the current policy more restrictive by changing its language to, “the appointee will serve until the next General Election” at which time, they will take a vote. The elected would then serve out the rest of the term to keep the staggered election structure. He asked if there were questions to which President Branson inquired if there needs to be revisions to accommodate the “General Election process” and how long it takes to qualify an individual to which Mr. Schumacher replied everyone knows of when the General Election will occur. The reasoning behind the proposed language is that the voting is on the Official ballot. He agreed to consult with the Supervisor of Elections office to find out lead time for qualification to which President Branson said that it should be included. Supervisor Hotelling clarified that he was initially appointed for two weeks which would have been the case (even with the proposed language). The only difference is instead of his appointment being the rest of the term, it would have been until the next General Election.

He referenced the wording, “and qualified” requesting an explanation to which Mr. Schumacher reviewed the current ordinance which mandates a qualification process. Supervisor Hotelling asked if an individual has to be qualified before being placed on the ballot to which Mr. Schumacher confirmed. Supervisor Hotelling noted the way he wrote it does not coincide with that statement to which he agreed to make the appropriate revisions. Supervisor Stegall referenced discussions concerning changes to the “Landowner’s seat” to which Mr. Schumacher explained it is a different process altogether. Whereas, the Popular seats are controlled by 9-107(d); Landowners fall under 9-107(b). This rule states the duty to fill a vacancy for a Landowner’s seat will fall upon the remaining board members until the next annual meeting, or if the landowner’s choose a “special meeting”. President Branson asked if the “45 day requirement” does not apply to the Landowner’s seat to which Mr. Schumacher affirmed. Supervisor Gilpin voiced his approval for the revision because he would prefer citizens decide. Supervisor Hotelling concurred and asked how to move forward to which Mr. Schumacher agreed to make the revisions and bring it back as a resolution. President Branson, Supervisors Stegall and Brooks voiced an accord.

**Rick Hulbert-** Asked to clarify the process to fill vacancies on the board, and (if he understood correctly) they only hold an appointment until the next Annual Landowner’s election to which Mr. Schumacher affirmed, then reviewed the procedures. Mr. Hulbert contended there are two individuals on the board who did not follow these requirements to which Supervisor Stegall disagreed. He explained the details of his appointment, and subsequent placement by a vote of the Landowners. Mr. Hulbert felt that the District did not publicize the 2019 Landowner’s meeting enough because no one knew to which President Branson reassured him no changes were made to procedures for Landowners. Supervisor Stegall reiterated he was elected in 2018, and a seat was not available in 2019 to which Supervisor Gilpin concurred.

**d. Discussion: Roads**

Ms. Cannady reviewed a memorandum submitted by Polston Engineering which included Roadway assessments for the District. They applied a rating system used by the Highlands County Engineering Department and adjusted it to better suit the District's need. She gave the floor to Mr. Jones to which he advised the board packets included a list of road recommendations, and an evaluation sheet with summaries. He worked with George Loyd to examine each road listed and measured it against the criteria. The idea was to focus on roads with the lowest score and the highest traffic. Roads considered include: Biltmore Drive next to the hotel off of Frontage Road, Woods-n-Irons Street because of heavy traffic and excessive cracking, Orduna Drive for its structural issues of which reconstruction is necessary to include culverts (that will either be repaired or replaced), Pebble Beach Drive (east) between the intersection of Woods-n-Irons Street and Ping the road in the worst condition, and Myrtle Beach Drive between Woods-n-Irons and Sanchez (an older section of road). If the District is under budget once they receive the bid results he will request work on "another section of Myrtle and the other end of Pebble". Supervisor Brooks asked how many miles does the District have of roads to which Mr. Jones answered (approximately) 80 miles. Supervisor Brooks pointed out the recommendations cover (roughly) 3.5 miles to which Mr. Jones responded contingency accounts for 1.75 miles which brings the figure to 3 miles. Supervisor Brooks declared the District still has years to go before roadwork is "caught up" to which Mr. Jones concurred, elaborating there are roads "out back" that will not be addressed for a long time, unless a developer purchases the area. Supervisor Brooks asked how long repairs will last to which Mr. Jones answered (depending on the current condition) the goal is a minimum of 20 years. Orduna Drive has structural issues which is why it will be a reconstruction. The cost is higher; however, it will last 20 to 25 years to which Supervisor Brooks noted roadwork is a cycle that will never stop. Mr. Jones agreed, adding they consider roadways a maintenance item to which Supervisor Brooks asserted the District should allocate (at least) \$350,000 annually.

Mr. Jones responded if possible; however, if there are budget constraints, then only high priority roads will be the focus. Supervisor Brooks asked if \$350,000 is enough to which Mr. Jones replied the roads in need of reconstruction are not as many. Based on the calculations from previous budget sessions, \$350,000 is an appropriate number (the minimum \$300,000). Supervisor Stegall referenced reductions listed in the 5-Year Capital plan, noting since few roads require reconstruction the District can do more with less. Mr. Jones concurred, explaining there are years where they require a “mill and pave” rather than “overlaying” and that will affect the budget. Mr. Hurley agreed, asserting the goal is to do (at least) 2 to 3 miles of roadwork annually. Supervisor Stegall referenced roadwork in the back area and “serious pot holes” which he believed, they only need to be filled in to which Mr. Hurley confirmed. He pointed out there are culverts that will also require work to which President Branson reviewed initial road discussions during which he requested data for Myrtle Beach and Pebble Beach Drive with a comparison to damage on Orduna Drive. Mr. Jones replied in the criteria, “cracking and deterioration of the edges” on the streets were considered. This was besides “potholes and graveling”; subsequently, “micro-surfacing is not as big a concern as structural basis failures” (dips). These structural basis failures are present on Orduna Drive; however, Myrtle Beach and Pebble Beach Drive have “edge and longitudinal block cracking”. President Branson asked if the aim is to overlay roads to which Mr. Jones concurred. Supervisor Hotelling referenced his statement concerning service life and how it applies to overlaying to which Mr. Jones replied “generally” overlaying will last 20 years, if the state of the road is not too bad. Otherwise, 10 years would be an accurate expectation. This is what operations is trying to prevent and is why it is important to keep up with road repairs. Supervisor Hotelling referenced the “optional” streets that are “extensions of the work” and asked will the bid include these additions to which Mr. Jones affirmed, explaining they would add them as “bid alternates”. Supervisor Brooks asked how to proceed to which Ms. Cannady replied they will draw the bid specifications; however, the idea is to “piggy back” on another governmental contract.

If that option is not available, then the project will be put out to bid to which Supervisor Brooks asked when that will be decided. Mr. DeJesus responded the city of Sebring's bid came due the week of February 11<sup>th</sup>. He agreed to review the bid and identify if it is the best option (considering it was a single bidder). Supervisor Brooks asked if staff will know by the end of March to which he affirmed. Supervisor Hotelling asked if there was an assumption that because the District is smaller (compared to the county) that there will be more bidders to which Mr. DeJesus replied only two companies (county-wide) perform this service, the chances of bid results differing from the county are unlikely.

**Gustavo Ibanez-** Affirmed the busiest street with the most damage is Sun 'n Lake and Granada Boulevard (specifically, 5700 Granada). He noted the District responded to a "sewer problem" which required an excavator who then put a large hole in the street. Now the holes are "sinking" both in front and on the side of the homes. He asked if they will repair those areas to which Supervisor Stegall postulated it may only be a task requiring a patch. Mr. Hurley agreed to look into the matter.

6. Add-on item

7. Petitions and Communications (2)

Ms. Cannady announced there are two correspondences and extended an apology to Mr. Halbig for not seeing his request prior to the distribution of the board packets.

a. Dave Halbig Correspondence:

Said he found it "heartwarming" to see participation during Public comment for the resolution relevant to the kitchen expansion. He affirmed his disagreement with the way requests of this nature are made, and accepted Ms. Cannady's apology.

**b. Gustavo Ibanez Correspondence:**

Introduced himself and declared that according to his research, the District has had (on average) 25 houses constructed per year, of which he claimed to have built 20%. Mr. Ibanez recounted the sale of 4 lots on Granada Boulevard (after Cortez) through the Board of County Commissioners, and affirmed he met with Mr. DeJesus to request a water connect (if he purchased these lots) which was approved. Prior to construction, he decided to perform the water connect but was told it would cost \$20,000. He went to Sebring Utilities for another property, and it only cost \$8 per foot (or \$5,000) for what he requires which includes installation (2" piping). During negotiations he said Mr. DeJesus reduced the price to \$10,700 and advised residents (across the street) would do the same if the District would reduce the price to match the city of Sebring. He urged the board to consider establishing an "Ethics committee" to address employee relations on these issues.

**Dave Halbig-** Wished to address Mr. Ibanez's comments, stating there are no citizens in the District who have not paid (in some form) for infrastructure improvements. He affirmed that in this situation, to receive a benefit there must be payment to which Supervisor Stegall concurred they treat everyone equally.

**Gustavo Ibanez-** Asserted that he is not asking for something for free, he only wants to pay the same as everyone else and he does not believe it is \$10,000. His request is to receive the same treatment as other contractors in the District to which Supervisor Stegall informed Mr. Ibanez that he needed to stop making allegations.

President Branson asked if what he was referencing was mandated by ordinance, policy or procedure to which Mr. DeJesus replied from what he learned of his contact with the cities of Lake Placid and Sebring, they treat these situations on a per case basis. As of now, quotes have been received and Polston Engineering has reviewed the request. The District was only charging the cost to put the 2" line in and lower permit fees.

He pointed out the difference between the District and the city of Sebring is in that they are staffed with people who can install the lines, the District does not have this capacity which is why there is more cost. He asserted for the record, the total cost (which was the proposal given to Mr. Ibanez) was \$28,000 which meant the District would invest (over) \$16,000. Supervisor Hotelling asked if there would be any other lots that may (in the future) request this benefit to which Mr. DeJesus replied the location discussed consists of six lots down the side of which Mr. Ibanez owns four and there are two other homeowners. The remaining adjacent lots have been vacant for an extended period and are now going through the escheatment process.

## 8. Staff Reports-

### a. Omar DeJesus-Finance Report:

Mr. DeJesus presented an update on FEMA proceeds stating the District had received (approximately) \$100,000 to \$105,000. The damage caused by Hurricane Irma forced the District to spend \$340,000 (in total) to restore operations, of which they only reimbursed \$135,000. During the last check in with FEMA, they have passed only 3 (or 4) projects through the “pipeline” which represents (approximately) \$150,000 in reimbursement not paid. He expects to receive another \$180,000 within the next month (or so). This leaves only 1 project for submission (to receive full reimbursement) which is (approximately) \$40,000, in relation to Arvida Drive roadwork. He reverted to his statement concerning \$150,000 and said they designated (roughly) \$30,000 for Golf operations (labor and course rehabilitation). Supervisor Brooks returned to Mr. Ibanez and asked how the situation will be addressed to which Mr. DeJesus replied he has received a proposal. If the board prefers to handle the situation a different way he will comply. Supervisor Brooks recommended meeting with Mr. Ibanez (and a board member) to negotiate to which Mr. DeJesus agreed. Supervisor Stegall asked if he would volunteer to which he confirmed. Supervisor Gilpin voiced his support for staff decisions because no one is receiving special treatment to which Supervisor Stegall asserted that the District cannot charge the same as what the city of Sebring does. Supervisor Brooks reiterated his willingness to meet with Mr. Ibanez (and staff) to discuss the issue.

b. Cliff Easum- Golf Report:

Mr. Easum announced the January financials are completed, and the Club is \$83,000 ahead of the previous year. Valentine's Day had a good turnout (as far as, ala carte diners), and the Sweetheart Open contribute to his anticipation the February financials will perform equally well. He estimated the figures trending at \$25,000 above last year's sales. Membership revenue has decreased to which Supervisor Brooks elaborated down by \$50,000. Supervisor Brooks asked if he informed the membership of the situation with the fairways to which Mr. Easum replied he has not. Supervisor Brooks requested that Billy Casper Golf present their recommendations for what direction the food and beverage operation is going to take (i.e. revenue driven from banquets, pizza etc.). This is so the board can have an understanding and decide if it is something they agree with to which Supervisor Gilpin added instructions to schedule a workshop to which Ms. Cannady agreed. She asked if there are any specific comments (or concerns) regarding the future meeting noting the last meeting with Billy Casper was in 2017 to which Supervisor Hotelling inquired for a clarification on what the agenda for the discussion may be, or if there should be "Board discussion" prior? Supervisor Stegall mentioned he talks with Mr. Easum regularly; however, he does not have a problem with a meeting. Ms. Cannady asked if there is a certain agenda the board would like to present to Billy Casper Management to which Supervisor Brooks replied he would like to review the contract and address, "the fine print". He referenced Supervisor Stegall's previous comments concerning an additional compensation clause for performance. Supervisor Gilpin was of the opinion, they already presented concerns to Ms. Cannady to which Supervisor Stegall agreed. Supervisor Hotelling mentioned the previous meeting's Board discussion and pointed out Ms. Cannady cannot reveal information. His recommendation is to have a conversation during "Board discussion", rather than a meeting prior to a workshop. He proposed they can provide feedback to Ms. Cannady at that time. Supervisor Stegall said they could do it at the next board meeting; however, Mr. Easum has never been nonresponsive to feedback. He noted the Billy Casper ergonomist has not been on site since problems with the greens (a year ago). He voiced his confidence with Mr. Easum and Mr. McMinn's work and recommendations.

Supervisor Stegall announced each supervisor will reach out to Ms. Cannady for discussion at the next board meeting. From there a workshop will be scheduled to which she confirmed.

c. Ariel Starling, Community Services:

Ms. Starling presented an update that on March 5<sup>th</sup> WDM Marketing will host an on-site marketing workshop that is Phase I for the project. The community is being called to take part in two focus groups during the workshop which will gather data to integrate into the creation of a “Creative work plan”.

**9. General Counsel Report:**

Mr. Schumacher announced he did not have much to report and confirmed the Ayala Litigation has come to a close. The District has been out of the litigation for quite some time but now it is concluded through “voluntary dismissal”. He announced the DFC foreclosure has begun and that he will be on vacation in March. His goal is to have the process completed with the court before this time off to which Supervisor Brooks asked if there has been any updates concerning Tanglewood. He replied he has been in contact with the Vice-President; subsequently, the current direction is to enact an addendum to update ownership information to the current entity. Supervisor Stegall asked if they will discuss Unit 16 at the next meeting to which Mr. Schumacher affirmed. Supervisor Brooks reverted to Tanglewood and asked if there will be revisions to the contract. Mr. Schumacher responded the addendum will serve to re-affirm the correct name to which Supervisor Brooks said there still needs to be conversations relevant to the contract.

**10. General Manager’s Report:**

Ms. Cannady began her report starting with updates on Bid #19-03- Deer Run automatic irrigation system (greens loops), which has been advertised and documentation is available online. The electrical components of this system are complicated and must be manufactured with bids due by February 26<sup>th</sup>. They canceled the Recreational Parks and Advisory Committee meeting February 21<sup>st</sup>, this has delayed the presentation/application for the Shuffleboard and Bocce courts.

She agreed to inform the board as soon as the meeting has been rescheduled. Supervisor Stegall confirmed there is enough funding to move forward; however, more than likely that will not happen without RPAC assistance.

**11. Unfinished Business**

**12. New Business**

**13. Committee Reports**

**a. Retirement Committee:**

Mr. DeJesus confirmed the committee received 6 vendor proposals for the District's retirement plan which included ICMA. They narrowed selections down to Nationwide Local and State to which they confirmed the state option relieved the District of its fiduciary responsibility; however, at a much higher cost and without employee customer service. During the last committee meeting, they made the decision to recommend Nationwide Local because of its lower cost and protection from fiduciary responsibility oversight. Currently, he is working on the documentation, along with a confirmation of all the details, such as employee contribution requirements for final approval. They will present this to the board at a later time, and all the information is available for review online. Supervisor Stegall noted the committee's recommendations will be more cost effective for the employees while also presenting less liability for the District.

**14. Public Comment:**

**Bill Norcross-** Referenced the road discussion, saying the District's roads are (approximately) 21 feet wide and are in poor condition. Using the intersection of Woods-n-Iron Street and Columbus Boulevard as an example, he affirmed the road has had repairs (at least) twice which included cement and patchwork. He recommended to either put the "rumble curving in" (like on Schumacher road), or a low curved beam. He voiced his support for the funding set aside for roadwork.

**Dave Halbig-** Recommended if a meeting is held with Billy Casper Golf that it be a “special meeting” with public comment sessions. He asked Mr. Schumacher if they permit public comment at workshops to which he explained the difference is they would hold it at the end of the meeting (rather than during). Mr. Halbig asked if they grant public comment for each agenda item at a “special meeting” to which he replied if that is how the meeting is structured. Mr. Halbig asserted that would be his preference, then referred to Mr. Shields’ previous comments on reserves voicing his agreement.

Ms. Cannady addressed the board, advising she had forgot to mention that during the week of February 18<sup>th</sup> they conducted training on the new electrical upgrades for the water plant. She invited anyone interested in seeing the upgrades or learning more about the training to reach out to Mr. Hurley for a tour.

**Bob Butz-** Asked how members will be accommodated during construction for the kitchen to which Supervisor Gilpin reassured him Golf operations has a plan. Mr. Easum elaborated that the dining room will be “mostly” open and they will have a small kitchen set up (with grills) outside under a tent. Service will be minimal because there is no way to sustain a bigger operation; therefore, sandwiches will be served. Focus will be on maintaining sanitation which is why paper/plastic utensils will be used; additionally, the Snack Shack will be used for support services. Mr. Butz asked if there is a timetable for the project’s completion to which Ms. Cannady replied the estimate is a project start date of April 15<sup>th</sup> and completion October 1<sup>st</sup>. April is when mobilization and work outside of the building will take place. She estimated for the first two months of the project, the kitchen will remain intact with major construction starting in June. Mr. Butz referenced an incomplete house on Granada Boulevard near the back entrance of the District (Ortega Street and Schumacher Road) and how there has been no work for quite some time. He asked if a status update was available to which Mr. Hurley replied they have cited the owner for abandoning the project. Ms. Cannady affirmed from her understanding, so long as the permit stays active there is no requirement to have the project completed by a certain date.

Mr. Butz suggested the District consider a policy to rectify this situation to which Supervisor Stegall said everyone agrees with his point, but the question remains whether the District can do so (legally).

**Gustavo Ibanez-** Reverted to his previous statements concerning “special treatment” in the District and proposed establishing an “Ethics Committee” to investigate and regulate certain operations in the District. Mr. Ibanez contended the District’s reputation in Sebring is not well, and he believes this will improve that opinion through action.

**Cecile Wood-** Voiced her appreciation for Mr. Easum’s efforts and willingness to work with her large Saturday group. She asked how the group will be accommodated should construction not be completed by October to which he reassured her that he will do everything he can to take care of the group.

**Charlie Shields-** Said Ms. Archer requested that he ask about Florida Hospital’s request for a \$400,000 contribution from the District to fund a future fitness center to which Supervisor Stegall responded the hospital is considering a new fitness center. Discussions have taken place concerning contributing, but they have confirmed nothing. Supervisor Brooks concurred to which Mr. Shields said it concerns him because if it is a consideration the District will give money to Florida Hospital, and he wondered how that will benefit residents? Ms. Cannady reviewed the proposal from Advent Health for a 29,000 square foot fitness facility to include an area for wellness and a spa, on 77 acres owned by the hospital within the District. They presented the idea as a phased project that would be a “partnership”. A formal proposal has not been presented (other than the concept) to which Supervisor Stegall mentioned the discussion took place during the 5-Year Capital plan workshop. The idea is to consider taking part rather than upgrading the District’s fitness center and there is a concern for what kind of discount residents will receive. There never was a \$400,000 offer made to Florida Hospital to take part.

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

Supervisor Stegall said based on Supervisor Gilpin's request (from the previous meeting), he provided Ms. Cannady his concerns involving Billy Casper Golf. An agenda will need to be developed to determine the subject matter of the meeting to which Supervisor Brooks announced he had not spoken with her. Supervisor Stegall said that he had given her his concerns in an email, and he received responses. She agreed to forward the information to the board members to which Mr. Schumacher clarified she will compile the concerns for discussion during the next meeting. Supervisor Brooks did not understand why it could not be reviewed at present to which Supervisor Hotelling reassured him it is an extra step related to the Sunshine Law. Supervisor Brooks reiterated his point that the conversation should take place now because it is unfair to the public. Supervisor Stegall said they would present the information at a future board meeting (for discussion) to which Ms. Cannady affirmed.

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

**The meeting was adjourned at 11:20 a.m.**