

**SUN ‘N LAKE OF SEBRING IMPROVEMENT DISTRICT
BOARD OF SUPERVISORS
REGULAR MEETING
Friday, March 8, 2019
MINUTES**

The Regular meeting of the Board of Supervisors of Sun ‘n Lake of Sebring Improvement District was held Friday, March 8, 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; Michael Hurley, Facilities & Security Director; Cliff Easum, Billy Casper Golf and District Attorney, David Schumacher were present; there were approximately 26 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, April 12, 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 22, 2019,
Minutes of the Retirement Committee Meeting held Tuesday, February 12, 2019;
Treasurer's Report and Golf Financials, January 31, 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 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. Resolution No. 2019-03/08-10: A resolution of the Sun 'n Lake of Sebring Improvement District to award the Deer Run Greens Loops Irrigation Project designated RFP 19-03 to Mondragon Golf Inc. for \$172,500.

President Branson moved to approve, Supervisor Brooks provided the second. Mr. Easum announced something delayed Mr. McMinn; therefore, he would present the resolution in his absence. He confirmed the District received several bids, but the recommendation is to award the contract to Mondragon Inc. because they are a smaller company (6 to 8 employees), and they perform "fill-in" work for Toro. They had the ability to bid because of an opening in their schedule; subsequently, all reference checks have been performed and the bid results pleased Tony Altum (irrigation consultant). Another advantage is that Mondragon Inc. can accommodate the District's tight schedule and priced the bid to save (approximately) \$120,000 for the District. The only change in the recommendation related to this cost savings is to add \$2,500 to the contract to purchase "higher quality heads", thus, ensuring the longevity of the sprinkler heads to which Supervisor Stegall affirmed the price (including the heads) is \$172,500.

Supervisor Hotelling asked for an estimation of the schedule, and what staff believed the impact will be on play to which Mr. Easum answered there should be none because the project is scheduled during Deer Run's typical closure. If there is a disruption, it will be during the installation of the "heads"; however, the project should only take (about) 2 weeks to complete. Supervisor Brooks asked if there is a timetable for when the project will be completed to which Mr. Easum answered once they grant approval and negotiations with Mondragon Inc. ensue, he will present specific dates. Supervisor Brooks asked if the schedule will follow the dates included in the bid specifications per the statement, "mobilization is set to begin May 16th" to which Mr. Easum reiterated his previous statement. Supervisor Stegall did not believe they would be far from the estimated schedule to which Mr. Easum agreed. Ms. Cannady confirmed once they have negotiated the contract terms, we will finalize those dates. Supervisor Brooks asked if they permit the vendor not to adhere to the estimated schedule to which Mr. Schumacher replied the contract schedule will be based on bid specifications. Supervisor Brooks assumed that the project will have an end date and a penalty clause (should they delay the schedule) to which Mr. Easum confirmed. Supervisor Brooks inquired if the "penalty clause is to be determined" and if Ms. Cannady would be the one to make the designation to which she confirmed. Supervisor Hotelling pointed out that in his opinion, it was odd to use Rainbird and Toro equipment together to which Mr. Easum responded the Club already has a lot of Rainbird equipment in place. He agreed that his initial response was the same; however, it makes the project economically workable. Supervisor Hotelling asked if they will guarantee the work to which Mr. Easum confirmed. Supervisor Brooks referenced the eventual decision to move forward with repairing the irrigation system; and asked if there will be no further need to upgrade, "no redo's" for the Deer Run Greens loops to which Mr. Easum affirmed, barring the decision to change the greens.

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

- b.** Resolution No. 2019-03/08-10: A resolution of the Sun ‘n Lake of Sebring Improvement District requesting that the Board of County Commissioners, Highlands County, Florida, create new residential land use classifications with increased minimum square footages and rezone portions of the District to protect land values.

Supervisor Gilpin moved to approve, Supervisor Brooks provided the second. Mr. Schumacher affirmed his belief that the attachment provided (for the resolution) was the final draft to present to the County. The idea was to create new land use regulations, “a new classification system” specific to the District. An additional request is to change zoning in specific areas to increase the minimum square footage with further specifications, such as “garage space and temporary structures”. Upon review of the version made January 2018 and thereafter, changes were present which he was unsure if they were approved by the board. Specifically, the original memorandum had a “1,600 square feet minimum on lots not next to the golf course, and 2,000 square feet on the golf course” (specific to R-1A zoning). The minimum square footage would have been 1,200 square feet (for R-2 classifications) which did not sound correct; therefore, he made the revision to 1,600 square feet next to the golf course and 1,200 square feet off the golf course (for both R-1 and R-1A). This ensures that no matter what distinction, any home constructed adjacent to the golf course will have a minimum square footage of 1,600 living area (adding a garage makes that 2,000 square feet). Any construction off of the golf course requires 1,200 square feet of living space; additionally, a two-car garage (which is a requirement) would make that 1,600 square feet under roof. Supervisor Gilpin reviewed previous conversations when Commissioner Hanley agreed with the changes and that they would pass. At that time, some board members considered making the minimums larger but Commissioner Hanley disagreed.

Supervisor Brooks announced he had asked Ms. Cannady to explain page 3, specifically, the line stating “1,000 square feet” because it had increased to 1,200 square feet (in 2018). He was of the impression, the decision had been approved in January but these figures are not the same as what they agreed upon. Mr. Schumacher explained how page 3, subsection (I) relates to R-2 minimum square footages. The way it read in January 2018, would have meant 1,200 square foot minimums would have applied whether a property is adjacent to the golf course (or not). As a result, he revised it, “so it would be the same size as R-1 (1,600 and 1,200)”. Should the construction be “multi-story”, then the 1,000 square foot minimum would apply to the bottom floor. The idea is to promote consistency to which Supervisor Hotelling asked if property owners do not adhere to the new restriction, would the District consider them to be “grandfathered”. Mr. Schumacher replied there is no requirement to upgrade or retrofit homes; however, any new construction must be brought up to these standards to which Supervisor Stegall called for public comment.

Eugene Gangemi- Reviewed previous discussions in 2014 concerning zoning and an agreement with Fifth Third Bank that made lot size restrictions the same as Manor Hill. He asked if the resolution would “override” the current agreement to which Mr. Schumacher reassured him the Homeowners Association’s regulations are more restrictive which means it will not override them. Ms. Cannady elaborated Deer Run deed restrictions have (approximately) 360 lots covered under that regulation. She further added the Preserve has the same minimums recommended in the resolution and represent the least restrictive of the Homeowner’s Associations (concerning square footage).

Bob Butz- In review, said if they build a “Single Family home” it has to be 1,600 square feet “under air” to which Mr. Schumacher confirmed. Ms. Cannady added 2,000 square feet on the golf course should the Deer Run deed restrictions not be applicable to which he asked if that number represents only a few lots in Unit 16.

She estimated there are (approximately) 360 lots out of the 1,441 proposed that have Deer Run deed restrictions. He asked what a duplex on the golf course would be to which Mr. Schumacher replied 2,200 square feet (total), or 1,600 for a single family building with a 600 square feet addition (accessory) structure, and garages.

Tom Kosty- Asked if there will be any “grandfathered lots” that are now required to increase square footage should the property owner decide to build to which Mr. Schumacher said he was unaware of any property being “grandfathered”. The only thing he could foresee is it would apply to an existing building permit. Mr. Kosty inquired if the County (or the District) can require anyone with a building permit to increase the square footage to which Mr. Schumacher confirmed. Mr. Kosty asked if it would be subject to challenge to which he affirmed, adding they have already discussed it with the County.

Bill Norcross- Voiced his delight the subject is coming to fruition since it was originally discussed by former Supervisor Curt McCullough. He referenced a home close to his property off of “Woods-n-Irons Street” and mentioned the structure looks small and “out of place” as they painted it bright yellow. He asked what the size of the property is to which Mr. DeJesus replied the home is 1,600 square feet total (which includes the garage). It meets the current minimum square foot requirement by the County and the Deer Run deed restriction does not apply to this property.

Supervisor Brooks asked what the minimum size to build a home would be if they approve the resolution to which Mr. DeJesus responded 1,200 square feet (living) with a 2-car garage (500 additional square feet).

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. 2019-03/08-12: A resolution of the Sun ‘n Lake of Sebring Improvement District adopting civil citations for violations of Section 9-102, Highlands County Code of Ordinances.

Supervisor Gilpin moved to approve, Supervisor Brooks provided the second. Ms. Cannady reviewed the resolution which presented “civil citation dollar amounts” they constructed per feedback provided at the January 11th Code Enforcement Workshop for how to handle 1st and 2nd offenses. She asked if there were questions to which Supervisor Brooks inquired if discretion would fall on Bob Brumfield. She confirmed and asked him to speak on how the process works. He replied the District addresses every violation witnessed and there are times they settle the issue with a verbal warning. If that does not work, then a warning notice is sent which is a practice that differs from the County. A majority of the time it is sufficient to make the property owner come into compliance; however, there are a few citizens who go through the full “notice of violation” process. Once the deadline on the notice of violation passes, the District can issue fines (citations). The Special Magistrate reviews the citation and issues an order that can be recorded with the Clerk of Courts, (eventually) becoming a lien against the property. He explained the difference between a civil citation and a notice of violation which is as follows: a citation automatically issues a fine (which has a limit); however, the latter gives the District the ability to address the violation by resolving the infringement. In either case, they must present it to a Special Magistrate to which Ms. Cannady confirmed this process has taken place the week of March 4th. Supervisor Brooks estimated Mr. Brumfield writes 180 to 190 violations in a month to which he affirmed. Supervisor Brooks asked if he plans to notify each property owner, then follow up according to the schedule provided in the resolution to which he confirmed, adding a majority of the time property owners come into compliance by the first warning notice.

Supervisor Brooks estimated the process takes 3 weeks to which Mr. Brumfield affirmed. It is quicker than the County to which Supervisor Brooks asked how long do property owners have to pay (once fined). Mr. Brumfield explained the owner does not have to pay; however, it eventually becomes a lien against the property. He elaborated how Code Enforcement liens disappear after 20 years and they cannot collect a fine on a “homesteaded property”. With that said if they own multiple properties and one is not “homesteaded”, then the lien must be resolved before they can do “anything with the other properties”. Supervisor Brooks asked if this will make the process easier to which Mr. Brumfield responded it provides homeowners with an official schedule, which he believes will work. Supervisor Hotelling referenced “Exhibit A” and asked if a 2nd offense is equivalent to a “repeat offense” to which Mr. Brumfield confirmed. Supervisor Hotelling asked if the higher fine would be applied for each consecutive offense (within 5 years of the initial violation) to which Mr. Brumfield replied it must go through the “Special Magistrate process”, the individual has to admit guilt before they are considered a repeat offender.

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

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

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

6. Add-on item
7. Petitions and Communications

8. Staff Reports-

- a. Cliff Easum-Golf Report:

Mr. Easum confirmed February financials have concluded and totals prove the Club was busy with an \$8,000 lead in green fee revenue (and banquets). Merchandise sales are lower which he attributes to timing complications involving demo days.

He was confident this revenue will be “made up” in March. The Club is \$83,000 ahead from the previous year and preparations are underway for the Saint Patrick’s Day event. Chen Dental is on the golf course hosting a charity event and on March 9th, they scheduled the Highlands News Sun awards dinner of which 280 people are booked to attend. They will host the MGA “Cuss the Pinsetter” event on March 10th with “anywhere between 250 and 260 people” to attend. March is up (approximately) 5% to 7% compared to last year’s financials and most of the events booked are member oriented, such as the Ladies’/Men’s Club Championships, and Member Guest event which leads him to believe banquets will be up between \$6,000 and \$8,000. Supervisor Stegall asked Mr. Easum to talk about “Brunch” to which he confirmed not a lot of advertising has been done (other than to the membership); however, through “word of mouth” the Club is doing (approximately) \$1,000 to \$1,200 more in revenue each Sunday. He attributes this to the ability to sell alcohol and hosting Brunch; the idea is to start marketing more aggressively once the Club clears its “busy stretch”. Supervisor Brooks reverted to the kitchen and asked if they have executed the contract to which Mr. Easum replied that is not the case. Supervisor Brooks asked if the project end dates will be stipulated “somewhere around September 30th” to which Mr. Easum responded the next step is for Marmer Construction to present a construction schedule. Supervisor Brooks inquired what his goal date is to which Mr. Easum confirmed September 30th, adding the first event booked is “(around) October 12th”. Supervisor Brooks asked if a penalty clause will be available (once they execute the contract) to which Mr. Easum confirmed. Supervisor Brooks inquired if they have decided concerning employees to which Mr. Easum reassured him they will do everything to keep them employed with the Club. At present, they will still serve food with little interruption and it is already typical for them to cut hours during this period of the season. Supervisor Brooks was of the impression, the kitchen would be closed for a period to which Mr. Easum responded there will be days for closures; however, “95% of the time” some form of food service will be offered. Supervisor Brooks asked how, if the kitchen is closed to which Mr. Easum explained there will be an outdoor kitchen (covered by tent), erected near the west side of the banquet room.

Supervisor Brooks inquired if this will be an expense to which Mr. Easum responded they had discussed it during 2018 budget sessions. Supervisor Stegall asked Mr. Hurley to update him on a drainage area near County owned lots (located on Matanzas Drive near Hole 14) and if the District is creating the problem to which he responded staff has cleaned some of the area. The plan is to go back in and do more work including (some) removal of the Brazilian pepper trees. He confirmed it is not the District causing the problem to which Supervisor Gilpin referenced an area between Matanzas Drive and Granada Boulevard and asked if crews will clear the easement to which Mr. Hurley responded the plan is to perform “hand work” and get the drainage flowing better.

9. General Counsel Report:

Mr. Schumacher announced the Unit 12 Foreclosure is “essentially” concluded. He made minor revisions and will execute the documents after the meeting (for filing). The only pending item is to prepare a summons for the mortgage holders to which Supervisor Brooks asked for an update on Tanglewood. Mr. Schumacher confirmed it will be on the agenda at the next meeting. Supervisor Brooks requested more details to which Mr. Schumacher explained the amendments to the contract will be on the agenda for the next meeting. Supervisor Brooks inquired if he had spoken with Tanglewood representatives to which Mr. Schumacher confirmed.

10. General Manager’s Report:

Ms. Cannady began her report with an update on the meeting of the Recreation Park and Advisory Committee (RPAC). They submitted a proposal for Bocce Ball and Shuffle Board courts for \$229,000 (including contingency) with 75% to be paid for by the County (\$171,000); however, the fund balance only has \$96,000 which led to her withdrawal of the request. She met with Drew Jones and Ariel Starling on the matter and agreed they will bring another request back to RPAC in May. The County decided not to fund RPAC this fiscal year because they applied all available “normal” funding to Capital projects. She forewarned that funding may continue to decrease; thereby, placing more burden on local governments to fund their own recreation.

Supervisor Gilpin said he would like to see work begin on the project (despite a lack of assistance) because the community can enjoy enhancements to recreation. Ms. Cannady confirmed World Design Marketing (WDM) was on site March 5th; the meeting took place at the Community Center and local residents and business leaders attended, forming two focus groups. WDM will now create a “work plan document” applying notes taken from that meeting to which Supervisor Hotelling agreed they made a lot of excellent comments during the focus group. After reflecting, he was unsure if the data was “what it should have been” because of these two groups, residents were “Club members”. He suggested it may be a good idea to consider reaching out to “non-Club members” to diversify the data to which Ms. Cannady concurred. She continued her report with confirmation that she “should” have project updates available in the next few weeks. They will not hold another board meeting until April; therefore, project updates will be sent via email.

11. Unfinished Business

12. New Business

13. Committee Reports

14. Public Comment:

Lon Rickert- Extended his appreciation to everyone involved with the effort to install a speed bump on Granada Boulevard. He affirmed it has already had the desired effect.

Patricia Gangemi- Voiced her concern with receipt of a “postcard” in the mail concerning water and asked where the District’s water supply originates to which Ms. Cannady replied an underground well. Ms. Gangemi noted there was nothing on the card to show what safeguards they have put into place to avoid this situation from occurring to which Ms. Cannady answered they have reviewed procedures. The card applied to an “annual test (Nitrite, Nitrate)” which did not occur; subsequently, another test will be performed this year (one was conducted in January). The postcard indicated “standard wording required by DEP” to which Ms. Gangemi asked the timetable for when the “omission” was discovered and the testing thereafter? Ms. Cannady confirmed one day to which Ms. Gangemi inquired if there were fines levied. She confirmed that was not the case.

Tom Kosty- Asked if the District will pay County taxes after the Unit 12 foreclosures are concluded to which Mr. Schumacher replied, “If the District recovers the property”; however, “it will go to foreclosure sale” first. Mr. Kosty inquired if the District wins the property through the “foreclosure”, will the District be responsible for County taxes to which Mr. Schumacher confirmed. Mr. Kosty noted that the acquisition of these lots represents a “40% increase in the sewage the District will be responsible for”. He counseled a plan should be in place prior to any construction on those lots in relation to the construction of a sewage treatment plant in Unit 6 (which may take up to 5 years).He further asserted there have been no infrastructure improvements in that area. He estimated the cost to complete this work would be (approximately) \$10,000 per lot (for 1,500 total parcels). He, “questioned the wisdom” of foreclosing on Unit 12 without a plan to address the necessity for sewage capacity. Mr. Kosty recalled how a single meeting in March was not meant to be a permanent trend, as they scheduled it in a previous year to accommodate a “Member/Member Tournament”.

Bill Norcross- Addressed Mr. Hurley and voiced his understanding that he is a busy man and reported that someone trashed the north entrance over the weekend. He asked that Mr. Hurley to have a crew clean the area (if not already done) to which he affirmed a crew was sent out and that this work is performed at least once a week. There was a time where “pick up days” were a regular community event and there is a (serious) need for enlisted on Saturdays to which Mr. Norcross volunteered. Supervisor Stegall mentioned the “Adopt-a-Highway” program may be an option.

15. Discussion to/from Board:

Supervisor Hotelling announced he had copies of the books he authored (per Ms. Cannady’s recommendation). He spoke of a brief conversation with Ms. Starling concerning the U.S. Open hosted at Pebble Beach in 2019 and voiced his willingness to present on the subject during Coffee and Conversations. Supervisor Stegall confirmed the books are “excellent” and he had learned much from reading them. He added Ms. Cannady had met with the County concerning “speeding” and asked if she had anything to update which she replied patrols should increase.

There were suggestions made, such as “flashing speed signs” and a formal request to install “speed sensors” which will provide the data (vehicle speed/number of vehicles) needed to assess priority areas of which she recommended Sun ‘n Lake Boulevard. Further mention was made that certain “speed signs” were not appropriate, and that a “traffic study” may be necessary. She affirmed staff will consider the different options within the next few weeks to which Supervisor Hotelling asked if that would be at the District’s expense. Ms. Cannady confirmed, adding via a third party engineering firm out of Lakeland. Supervisor Hotelling noted he had seen a patrol car in his area to which Supervisor Stegall agreed they have been present on his street as well.

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

The meeting was adjourned at 10:02 a.m.