

**SUN ‘N LAKE OF SEBRING IMPROVEMENT DISTRICT
BOARD OF SUPERVISORS REGULAR MEETING
Wednesday, June 13, 2012**

MINUTES

The Regular Meeting of the Board of Supervisors of Sun ‘n Lake of Sebring Improvement District was held Wednesday, June 13, 2012, at the Community Center, 3500 Edgewater Drive, Sebring, Florida 33872.

The meeting was called to order at 9:00 A.M. by President Eugene Gangemi.

SUPERVISORS PRESENT:

Mr. Eugene Gangemi, President
Mr. Dave Halbig, Vice President
Mr. Frank Guglielmi
Ms. Diana Johnson
Mr. Richard Miller

The District General Manager, Michael Wright; Board Secretary, Julixa Robinson; Administrative Assistant, Juan Guerrero; Community Service Director, Christi Wolf; Finance Director, Tanya Cannady; Public Works Director, Greg Griffin; Kitson and Partners, Ron Wonderling; Kitson and Partners, David Bell; Kitson and Partners, Rich Unger; and District Attorney, John McClure were present. There were approximately 16 people in attendance.

1. Call to order – 9:00 A.M.
2. Pledge of Allegiance
3. Announcements:
 - a. Next regular meeting is scheduled for Wednesday, July 11, 2012 at the Community Center, 3500 Edgewater Drive, Sebring, Florida at 9:00 A.M.
 - b. We have a flyer on the table over there for our Independence Day celebration. It will be held on Tuesday, July 3rd at 5:00 p.m. and fireworks will take place at 9:00 p.m. There will also be live entertainment, children activities, face painting, animals, magician, giant slide/water slide and games. General admission is \$1 and deluxe admission is \$5. No coolers and no pets.
 - c. If you have cell phones, please turn them off and turn them down to silent mode.
 - d. I’d like to recognize our County Commissioner, Ron Handley, for showing up. We appreciate that.

4. CONSENT AGENDA

- a. Minutes of the Regular Meeting held Friday, May 25, 2012

Supervisor Miller moved to approve the Consent Agenda and Supervisor Halbig seconded.

Supervisor Guglielmi-Y, Supervisor Halbig-Y, Supervisor Johnson-Y, Supervisor Miller-Y, President Gangemi-Y

Consent Agenda was approved 5-0

5. ACTION AGENDA

Supervisor Miller: Mr. President, I have a question on the Action Agenda. We have our budget information in front of us but I don't see a spot on the Agenda. Are we discussing the draft budget at all today? President Gangemi: There should have been something in there. Mr. Wright: Yes, sir, there's a separate agenda; it should be with your budget book. We will discuss the budget at the end of this meeting.

President Gangemi: We're having Board discussion on that, correct? No public discussion? Mr. Wright: Yes, sir, that's the plan.

Supervisor Miller moved to approve the Action Agenda and Supervisor Guglielmi seconded.

Supervisor Guglielmi: Don't we need to move on each resolution? President Gangemi: You have to do the Action Agenda first. Mr. McClure: You're doing it right. You adopt the Action Agenda and then you vote on each item that way you can add emergency items or whatever you need to when you adopt the agenda. President Gangemi: Am I right so far? Mr. McClure: Yes, sir. Supervisor Johnson: Why has this changed? We've never done it this way before; we go resolution by resolution. President Gangemi: Are we getting out of sync here? Mr. McClure: No, you're doing fine. We adopt the Consent Agenda, then you adopt the Action Agenda; that gives you an opportunity if you wish to move matters from the Consent Agenda to the Action Agenda you can do that prior to the adoption. If you have an emergency item you can add that prior to adoption of the Action Agenda. Once the Action Agenda is set and adopted then you move to each item on the Action Agenda. I believe Supervisor Guglielmi's question was shouldn't we have a motion on this resolution before we discuss it and that motion we just made was motioned and seconded; that's where we're at. Supervisor Johnson: But if you look at last time's minutes it's not done that way; we've never done it that way. Supervisor Miller:

In fact, I've been here for two years and we haven't done it that way, John. Mr. McClure: We discussed that a few months ago. The bottom line is that is the better way to do it. That's the way the county does it, that's the way the school board does it and, certainly, I believe, would be an appropriate way for this Board to do it.

- a. Resolution 2012-6/13-27: A resolution of the Sun 'n Lake of Sebring Improvement District to purchase a new server and backup tape drive

Supervisor Guglielmi moved to approve and Supervisor Halbig seconded.

Ms. Cannady: Good morning. The District is requesting a purchase of a new Dell server and a new tape drive. Our current server houses all of our financial applications and our assessments software. This request is a proactive approach on my part. This is a five year old server and we've had some issues with it recently and I don't want to see us wait any longer to replace this hardware. We received several quotes on items from Dell, IBM, etc. and we are recommending a Dell PowerEdge with a price of \$19,296 including the accessories that go along with the Dell. We've had excellent customer service from Dell and that was the lower of the two quotes that we received. We are requesting that the \$30,700 be divided amongst the two funds, general fund and utility fund, with contingency being used out of each of those funds.

Supervisor Miller: Will that come out of this year's budget? Ms. Cannady: Yes. Supervisor

Miller: Tell me what the purpose of the new equipment is and the relationship to storage of materials, data, resolutions, minutes and so forth. Does that help us go digital? Ms.

Cannady: Actually, the software and the hardware that I'm going to be recommending in the upcoming budget is going to insist us to go digital, but this is the first step. We need hardware now. This is just for our financial applications and it will also include what we have scanned currently. There's also additional hardware where that is going to be in the upcoming budget. Supervisor Miller: Is our existing equipment malfunctioning now? Ms. Cannady: Yes, it is.

Supervisor Johnson: When you speak of software, what are you talking about? Ms.

Cannady: It's a document management software that scans and stores, essentially, file

cabinets electronically. That's what we're going to be talking about in the budget workshop today. Mr. Wright: This is just the box that everything runs on. Ms. Cannady: This right here, this server, is strictly our financial applications like payroll, general ledger, assessments and if this goes down the District can be down for seven to ten days; I don't want to see that happen because it almost happened and I want to take a proactive approach at this point.

Supervisor Johnson: Are you looking to make improvements on the software, then, that you'll use to do the financials and things next year? Is that what you're talking about? Ms.

Cannady: No, the software that we have for our financials are the same; the software is the same; this is strictly hardware today. Supervisor Johnson: Are you happy with that financial

system? Ms. Cannady: I've been happy with it and I've learned a lot with it.

President Gangemi: Tanya, I notice in your report here that our system analyst worked 18 hours over the weekend to get us back on track. I don't think we can afford to have a system analyst coming in there every other week or if this thing goes on try to retrieve everything.

It's going to be very expensive and also, probably, will cost us more in the end than just buying a new software system. I know it has limitations but I don't know if it has any

surplus value. We could, probably, determine if somebody would like to send it out to auction or something like that. Ms. Cannady: We can look into that. President Gangemi:

Okay. We might get some revenue out of that. Other than that, we really, really depend on you and your team to make sure our statements go out on time and we have accurate data that we can fall back on and not to be tied up for weeks on end. Speaking with you, we wouldn't have to purchase any other software to do your financials. Thank you.

Supervisor Halbig: Tanya, do you plan on implementing the new software along with this hardware? Are you going to use the existing software until next year? Why wouldn't you do it all together? Ms. Cannady: Our financial software is fine. The software that we were

speaking of is a document management system that assists in scanning and storage. That's the software that we're going to be purchasing. Supervisor Halbig: You'll use your existing

software for your financial system? Ms. Cannady: Yes, we're fine with that; we're happy with that. It's the software that was purchased four or five years ago for our documents in scanning; that's the software we're speaking of.

Supervisor Guglielmi: I don't have any problem with this expenditure. It, obviously, is going to make your office more efficient because right now you have interruptions and you lose data. I don't have any problem with it. You are the leader, you are the individual that runs the particular operation and you should know what you need and I agree with this.

President Gangemi: What do you think the lead time would be to receive this equipment?

Ms. Cannady: Two weeks depending on what Dell has in stock; more than likely they'll have to make it for us. President Gangemi: Okay.

Public Comments:

1. Bill Jackson: I may be able to add a little clarification here. You have multi-levels of software on a network like that. The overriding software is Microsoft networking; that runs everything under its canopy. Under different programs you might have software for that program that could provide special functions, but the software they're going to buy is for the archives for handling documents. These are separate software's and one does not replace the other. The main overshadowing is Microsoft Enterprise and Enterprise means network; you can have it set up around the country. That is the overriding software; everything works in conjunction with that from different applications and different functions so you won't change your overriding software; all they're going to do is replace the server because of its age and things. You can use that other server because any computer can be called a server; it's how it's designated. You could use that other one if you want to or maybe a document server and put all your documents on that and that would be a separate server in itself because that was the advantage computer when they were going to the big, super computer years ago they found out they had problems; too much money to expand and all of that so they went to the enterprise networking where you can have 1,000 regular computers hooked to a network and they can be anywhere and still function together on that network; they're connected. You're not going to see any change in the main software; it's supporting software and it's special function software. Thank you. President Gangemi: Thank you; very helpful.

President Gangemi: I think this, probably, will be a super benefit to us to archive our documentation and eliminate the possibility of documentation being lost and things of that nature.

Supervisor Halbig-Y, Supervisor Johnson-Y, Supervisor Miller-Y, Supervisor Guglielmi-Y, President Gangemi-Y

Resolution 2012-6/13-27 was approved 5-0

- b. Resolution 2012-6/13-28: A resolution of the Sun 'n Lake of Sebring Improvement District to award RFP #12-06 for repair and upgrade of the existing sanitary sewer master lift station, inclusive of installation of new pumps and a polyurea liner, to Dalyn Real Estate Development, and authorizing the purchase of pumps and related equipment from separate vendors

Supervisor Miller moved to approve and Supervisor Johnson seconded.

Mr. Griffin: In review of our infrastructure throughout all of our water collection and distribution systems and sewer collection distribution systems, we've been highlighting areas that are of inherent need. The master lift station is a lift station that's responsible for gathering all of the gravity sewer, basically everything south of Sun 'n Lake Boulevard, with the addition of the hospital and then shipping it, basically, to the wastewater treatment plant. We, typically, have a redundancy in this lift station with regards to pumps; our backup pump is worn out. We were slotted to do the renovations and repairs in the years coming, but we've decided, based on the cost of buying just one new pump, that this is the ideal time to move forward with the renovation of the lift station and it's also showing we're in a lot of other areas.

Mr. Wright: Why don't you go through some of the photos for the audience? Mr. Griffin: Sure, Tanya, can you scroll down? The first picture is the master lift station. Essentially, everything that you see, with the exception of the blue pump in the background, will be replaced or cleaned up. It will get a new concrete lid, new valve structures and new controls. The next picture shows the force main junction. We'll be modifying this; if we have a failure now to the point where if we were to have a multi-redundancy failure, we don't have the mechanism to quickly hook a manual bypass; we'll be putting a connection in so that we could hook a manual bypass up in addition to redoing all of the gate valves and all of the

back flows. The next picture is just an area of failure inside the lift station. These are cable hangers that hold the controls and/or supplies for the individual pumps that are all rusted out and the concrete is falling and cracking behind. The next picture is the duct liner pipes which are inside; they're starting to show signs of failure. In addition, the seams inside the tank are showing signs of wear and these are areas where we can get infiltration of water when the water table is high or exfiltration of sewage if the sewer level is higher than the water table, the pressure differentials, and that's not a good thing. On the next page is our strainer baskets, our frames, basically, these are the mechanisms in which we pull and remove our pump motors and also our strainer baskets. We have baskets that are in place to capture debris as it comes through and they're showing significant signs of wear so they'll be replaced. The final picture is our control panel and to the right is to telemetry controls. Telemetry controls, basically, capture all of our flow data and it has an auto dialer. We've got a triple redundancy on that system and in the event that it fails, our final stage is we have our auto dialer that would actually call out to our guys and they would come and respond. Everything is going to be replaced and upgraded and this should give us a life span of about 15 to 20 years once it is done. We're also coating the inside of the tank with a polyurea coating which will, basically, create an impervious layer inside the concrete.

Supervisor Miller: Greg, is this coming out of our existing budget? Mr. Griffin: We had \$550,000 in the budget for this year for a water storage tank and then we also had several hundred thousand more for the renovations of the wastewater treatment plant, and you have 23 wastewater treatment plants. In terms of priority, this is showing much more significance or importance. It would be a disaster if this plant failed in its entirety. Everything else we're able to work through. We've got Unit 23 online to be renovated next year so what we've done is, basically, switched it around in the budget year. Mr. Wright: It does come out of the existing budget. Supervisor Miller: That affects your comment in our draft budget that we're moving \$820,000 forward; that would be off of that line, wouldn't it? Mr. Wright: Within our existing budget, we can rearrange some of the existing funds and cover the cost of this project out of this year's budget without going into contingency. We're shifting our priorities a little bit and putting some of the repairs off. Supervisor Miller: Can I ask why we didn't do the storage tank? Mr. Wright: To be honest with you, it's just a matter of manpower and time to get it done and that's why we're looking to move it into next year. Supervisor Miller: Wouldn't that be a contracted item? Mr. Wright: Yes, sir, but we still

have to deal with the engineers and there was just so much on our plate this year that we just did not get it done. Supervisor Johnson: Don't we have to look at the overall total when we look at a budget, a five year budget plan, a capital expenditure plan? In a sense, if we have half a million in there for the storage tank and we're now spending another additional amount of money here we're, kind of, changing our... we can move it, but in a sense we previously had what we had. For instance, we add a million now we're going to have a million plus for the next five years which impacts our monies. Mr. Griffin: If you were to look at the forecasted budget there was \$120,000 over the next three years that this was going to be dealt with; all we're doing is accelerating it; it was on the budget already.

Supervisor Johnson: Is this the normal way we've done things? I thought that when these came up before, and I may be wrong, but you come to us and tell us we need this and then we put the RFP out. Did we okay this RFP to go out? Mr. Wright: No, ma'am, you did not.

Supervisor Johnson: That seems different than what we've done before. Mr. Wright: It is, but because this is the primary master lift station in the system we had to do the repairs anyway and rather than piecemealing it we went ahead and put it out to bid and we're

bringing it to you for your consideration. Supervisor Johnson: We can't verify the bid if we don't decide that we're going to have one hundred and some thousand dollars available for this. We have to first discuss what we have available and then draft the bid to what we think we can spend at that time instead of going out and getting it all... Mr. Wright: Yes, ma'am,

but if you remember what the Board did when we looked at doing some renovations at this building and the gazebo, you said, "Go to bid first before we discuss the budget so we know what the exact price is." That's what we did in this case; we went to bid so you would know what the exact amount is and then we can also handle the cost within our existing budget.

Supervisor Johnson: But the Board said that. Mr. Wright: Yes, ma'am, and what we're doing is we're following the direction you gave us where you said you wanted the price before setting the budget. President Gangemi: I remember that coming up; that you wanted a price before you went out to bid; you wanted a definite, almost to the dollar, amount of what it was going to cost us and then come back to us and we'd approve yes or no on it.

Supervisor Johnson: That's exactly what I'm saying. We need to know the scope of the project and how much we thought we can spend on it and then go out to bid. President

Gangemi: If you turn around and we need \$92,000, what are you saying? Let's only go out and get \$60,000? If this system goes down you're going to have a lot of problems. I think

he's following the direction the Board gave him last time and now we're switching courses in midstream saying we want to do it the other way. Supervisor Johnson: No, that's what we've done.

Supervisor Halbig: What's the age of the system we're replacing? Mr. Griffin: It's about 25-30 years old. Supervisor Halbig: Okay. What kind of down time you looking for when you convert this? What are you going to do? Mr. Griffin: It's a stage project. The very, very first thing we will do is put that bypass structure in that I talked about at the force main junction and we will set up a bypass pump that pulls from the nearest manhole and bypasses the lift station in its entirety. That lift station will be offline for approximately two weeks. Supervisor Halbig: Okay. We do have a URRIF account and that's for replacement and repairs on utilities. This is exactly what this was set up for so why wouldn't we use that rather than do a complete budget reshuffle? Mr. Wright: It's all coming out of the same account. Your reserve and replacement account you set aside \$25,000 a month, you have about 2.1 or 2.2 in that account today and you also have enough funds just through your normal revenues to cover this cost. You can take it out of that fund if you so choose, but then again what you'll have at the end of the year is a surplus fund that will just simply go back into your reserve account. Whether you take it out of your left pocket or your right pocket it's still coming out your utility account. Supervisor Halbig: The only reason I brought it up is because it just sounds simpler to take it out of that account and then you don't have to... Mr. Wright: You can do that; that's fine. Supervisor Johnson: I think that's a good point, Dave, and I think that's, probably, where it ought to come from. Mr. Wright: You can certainly do that.

Supervisor Guglielmi: Greg, some of the background information, you stated that the concrete is cracked in a number of places. Mr. Griffin: Correct. Supervisor Guglielmi: We're going to cover it with polyurea coating. Is that going to reinforce the concrete? Mr. Griffin: Essentially, what we'll do is go in and pressure wash the entire lift station, clean it and, basically, have bare concrete and then they'll go in and put structural patches in where there are areas that are failing then beyond that they'll put the polyurea coating; it's getting reinforced structurally and then it's also getting a coating that, basically, creates the imperious barrier. Supervisor Guglielmi: Have you thought about, possibly, replacing the whole thing, the concrete structure? Mr. Griffin: That lift station tank is about 30 feet deep.

To replace the tank would cost approximately twice the amount of what the renovation would be. With the renovation we'll have a 20 year warranty on the actual coating and what's behind it. Cost benefit, I think it's a better choice to do it as it's designed. Supervisor Guglielmi: Okay.

Supervisor Miller: I guess what bothers me is the fact that when we make a budget we make a commitment to undertake certain projects and activities, particularly with capital projects; it's a financial plan. We seem to be moving this and moving that. I'm sorry, Mike, I can't accept the fact that we didn't have the manpower to start that tank. That was a commitment to produce that capital project in this fiscal year and that's not going to happen so we roll it over and we take the money out of this. What we're doing is moving this and that and we've already had a couple of budget amendments. I guess, Mr. President, what I'm saying is that when we make a budget, it's, basically, a financial plan for the next year and it's a plan that should be followed. President Gangemi: I understand that, but if we have an emergency situation, and this probably falls in that account, what do you propose we do? Wait until the next year to say we're going to fix it? I understand that you set a financial plan but it's a goal, it's a schedule, but things happen in the meantime that maybe we have to jump back and forth. You're using the same money whether you take it out of the left side or the right side. Supervisor Miller: I'm not so much concerned about the need for this particular project. I'm going to vote for it and I agree with it, but what gets me is we have a ½ million dollar project that the answer I get as to why we haven't done it is we're overloaded and now we have a public works director this year that we didn't have before. It bothers me and I'm sorry. Supervisor Johnson: It bothers me because I go down through the capital expenditures to see what we did that was on last year's budget and this year's budget and there's more than one item. I agree with Dick that if we set a capital plan we set it because we believe we need it at the time. Now, we can adjust it, but to adjust it and say that we're adjusting it now because we have an additional need... that's why taking it out of the URRIF fund makes more sense to me because that's like a current year expenditure. I was not one that was totally in favor of the storage tank, but it was in the budget, it was approved by the Board, and we've had nine months but we haven't even begun to think about the storage tank that was approved. I have a real problem with it. Mr. Griffin: If I may interject. Supervisor Johnson: It's not your fault. Mr. Griffin: No, I agree with what both of you are saying. In Mr. Wright's response in regards to lack of manpower, this lift station we've

deemed critical and it's at a point where it really, really needs to be addressed so we accelerated it; that's what it boils down to. Both of the other projects are on schedule to get done. This consumed quite a bit of manpower because it's not as easy of a project, necessarily, as the other two. Also, if that system goes down it will have catastrophic problems.

Supervisor Guglielmi: You've been on board a relatively short time and we probably weren't aware of the criticality of this pump station until you looked at it. You are, basically, the expert of these things. I think now you determined that this is critical and we need to do it. I understand budgets, but budgets can change. Supervisor Miller: Frank, I have no problem with this need. He's identified it, he's justified it and I'm going to support it, but it just bothers me that we make these commitments and then suddenly we don't have enough time or manpower to do it within the year we're supposed to do them. Greg, tell me again, where is this money coming from? Mr. Griffin: It was slated to be pulled out of the same account as what the wastewater treatment, and I don't have the account number, but as the wastewater treatment plant and the water storage tank line item. Supervisor Miller: We're borrowing from that... Mr. Wright: Wait, wait, wait, wait. You're still new to this. The storage tank is coming out of impact fees. You can't use impact fees to renovate the lift station. We can either pay for the lift station out of our existing cash flow, which we have sufficient funds to do, or we can take it out of the URRIF account, which is fine. Supervisor Halbig: I'd like for it to come out of the URRIF fund. Mr. Wright: That's fine; we can do that. In fact, we'll just amend the resolution and take the funding from there; that's not a problem. Supervisor Halbig: That's if everybody is in agreement with that. Supervisor Miller: It makes sense. Mr. Wright: Greg came on board just a few months ago and he's been, basically, dealing with all the slip lining, all the utility line replacements and really learning the organization, learning the job and quite honestly the tank slipped a little bit and I'll have to take responsibility for that not him. President Gangemi: Thank you.

Public Comments

1. Bill Jackson: I've heard a lot of funds mentioned, but I haven't heard the primary fund that's supposed to be used for this and that is the enterprise fund for water and sewer. We make a profit for every gallon of sewage that goes through that plant; that is the way these things are set up. If you don't spend that money, it gets so large that it

begins to bring up questions. It seems like the first account you want to go to is the water and sewer enterprise fund because that's what that's designed for. The URRIF fund was something that was added much later that primarily was set up to get dollars to match swift mud on grey water; that's what that was primarily set up for years ago. We have a fund, if you want to call it that name, I guess, but it's like a slush fund, the URRIF fund is; it's used for everything and anything. The question is, should the URRIF fund even be there because we no longer have any immediate need for doing work for grey water? I would suggest, and I don't know why, maybe I've missed something, why we're not talking about the utility fund or the water and sewer enterprise fund? That's what that is there for. We recently had an increase a few years ago and I understand that fund is doing really well. Let's look at the URRIF fund; it's collected in the water bill, it's \$7.10 a month for every unit in here and we're using that around when we should be prioritizing the enterprise fund because that's where these things are supposed to come from unless I'm missing something. Mr. Wright: That's what we're talking about. Mr. Jackson: I didn't hear the enterprise fund. I have real questions about double charging the residents for two funds that do the same thing. If that's what you were saying I missed it and I apologize. Mr. Wright: Yes.

President Gangemi: Mr. Wright and Tanya, what is the cleanest way that we draw the funds to pay for this sewer thing? Mr. Wright: Take it out of the URRIF account. It is a subaccount within the utility enterprise fund; just take it out of that account and you still have a balance in the excess of \$2 million, which is more than ample reserves. President Gangemi: Okay. I guess we need a motion for this. Mr. Wright: Yes, sir, as amended; it has to come out of the URRIF account.

Supervisor Halbig moved to amend Resolution 2012-6/13-28 and fund the project out of the URRIF fund. Supervisor Miller seconded.

Supervisor Johnson-Y, Supervisor Miller-Y, Supervisor Guglielmi-Y, Supervisor Halbig-Y, President Gangemi-Y

Resolution 2012-6/13-28 as amended was approved 5-0

6. Add-on items

7. Petitions and Communications

a. Tom Kosty – Landowner Committee Update

Mr. Wright: I think all of you have been provided some communication from Mr. Kosty to me representing the landowner's election committee. I'll turn it over to him.

Mr. Kosty: The communication that you have, I'm not certain if it's the corrected one or if it's the original one that I dropped off at the office. There was a slight correction in it with regard to one of the items. Mr. Wright: Why don't you just speak to that? I think they got the original one. Mr. Kosty: Okay. I'll read the communications for the benefit of everybody here. The 2012 Landowner Election Committee requests that a resolution covering the following procedure be placed on the agenda for consideration by Sun 'n Lake Improvement District Board of Supervisors.

1. That Special District Services be officially named Election Auditor for the 2012 Sun 'n Lake Landowner Election process.
2. That SDS, Special District Services, be instructed to follow the procedures used by Northern Palm Beach County Improvement District for their 2010 Landowner Election with which SDS has indicated they are very familiar with the following special provisions:
 - a. That all requirements of Highlands County Ordinance, Chapter 9, Article 5 be adhered to.
 - b. That all candidates for the office of supervisors must register their candidacy with the election auditor at least 30 days prior to Sun 'n Lake 2012 Annual Landowner Meeting and Election.
 - c. Should a protest of any part of the voting process or the tallying of votes by the election auditor be filed, a deposit of \$500 must be submitted by the protestor to cover costs associated with the investigation. Should the protest be found to be legitimate, the entire deposit would be refunded to the protestor. The entire cost to be absorbed by the District. If found to be baseless, that is the protest, the deposit would be applied to actual costs incurred and any costs over and above the \$500 to be absorbed by the District.

- d. That the Board of Supervisors determine if and how the Sun 'n Lake Landowners will be informed of the new process.
- e. That District staff and Special District Services determine and agree to the most expedient timing and method of identifying eligible votes to be attributed to each Sun 'n Lake landowner.

Supervisor Miller: Tom, I've got a few comments and questions. Can you refresh our memories concerning Ordinance Chapter 9, Article 5? What is that? Mr. Kosty: That is the Highlands County Ordinance commonly referred to as our charter. The charter was the original version of that Highlands County Ordinance. That is the current issue of the Highlands County Ordinance covering the governance of Sun 'n Lake. Supervisor Miller: Okay. My next question is, by requiring this 30 day, I guess, registration, are we in conflict with our existing landowner procedure? John, I guess, that's for you. Mr. McClure: I need to review 9-81, which is what Mr. Kosty is referring to, I'm sure, but I believe that there is something that requires the landowners to meet on the last Friday of each January, for sure. That's when the election would actually occur. I don't believe there's anything, I'd have to look at it again, but I don't think there's anything in there that requires a nomination from the floor, for instance, so these procedures that would cut off the nominations 30 days ahead of the election to allow the candidate slate to be established so that we could know who's going to be there and who you're voting for; proxies determined and that sort of thing. I'm almost positive that could be established by internal procedures of the Board and I don't think there's anything in the ordinance, I need to look at it one more time, that requires nominations from the floor. Supervisor Miller: I don't think that it's required, but it's allowed and that would, I think, the fact that you still... our current procedures can still nominate a candidate the day of the meeting that would, in effect, be a conflict. Mr. McClure: I believe that's what Mr. Kosty is speaking to. Let me just give you, if I may, my big picture, what I would see, based on your recommendation. I would not reference North Palm Beach County's procedures, but rather we can develop our own procedures even though they might be parallel to those procedures because they are good; I've looked at them and I like them. They would still be adopted as the Board's procedures and that's what you'd be voting on. With respect to the 30 day issue, once you review and adopt these procedures to govern the landowner elections as recommended by the landowner election committee, which was dually established by vote of the landowners, then the bottom line is all of those

procedures, in my opinion, need to be mailed out somehow to the landowners. It's going to cost you some money, but go ahead and mail it out; you might want to set a public hearing for adoption of the procedures subsequent to the mail out for due process considerations to be met and anyone who has an objection to it you can allow to write a letter, come to a meeting and be heard or whatever, and then adopt the procedures. Once that's in place, it's in place so whatever we've done in the past wouldn't matter anymore; these are the rules and this is what we're going to do which would require us to go ahead and get started now to implement that to get the mail out, the hearing and make sure all that's done prior to the election procedures.

President Gangemi: John, if we use the Northern Palm Beach County Improvement District as a draft, as a sample, so to speak, has this been tried and tested? Is there any case law that this has been found to be incorrect or anything like that? Mr. McClure: I would say this, not that I'm aware of. I would also say that having reviewed these procedures I'm absolutely satisfied that this satisfies due process requirements. The issue of due process is what the rules are; everybody knows what the rules are and we play by the rules. I think you have the power and authority, with the landowner's request, to actually establish those rules and they're coming forward with that request and asking you to do that. President Gangemi: Okay. I would probably turn around and change the wording on it to, maybe, not directly put Northern Palm Beach County in there; similar counties or something like that; not really identify where we got them from. Mr. McClure: Right. I wouldn't plan to do that. It would just simply be the election procedures that would be presented to you even though we might use that as a template, it would still come to you as your rules that you're adopting and that's all it would reference. President Gangemi: Okay.

Supervisor Johnson: This may be a point because you need to reference whether someone can actually nominate at the landowner's meeting, which is the second meeting of the month, the first of the year. I'm wondering, Tom, and maybe I'm just missing something, is the 30 days enough time? For instance, if that meeting is, say, January 25th and you have to declare your candidacy by Christmas, December 25th, with the holidays and things like that and the opportunity to get proxies and things, are you comfortable with that 30 day time frame? Mr. Kosty: The discussions that we had, and this included SDS, two gentlemen from SDS who were familiar with the procedures in northern Palm Beach, Mr. McClure and Mr. Wright and

the committee representatives, we saw some value in using an established procedure that's been in place for a long time. Northern Palm Beach was established in 1957, making them approximately 15 years older than Sun 'n Lake. They are a special district of over 60,000 landowners and they have a budget in excess of \$20 million. This method is one that they have used and it's not been challenged; it's current. Their most recent election was in 2010. As a matter of fact, it was only in 2010 that they went from having, at that time, they had 3 landowner elected seats; we already have our third seat. They actually changed in 2010 when they went from 3 landowner seats to 1 landowner seat; now they only have 1 landowner election. At this process, they operate under the same state statutes as does Sun 'n Lake. Our feeling was that since this process has been in existence, it's not been challenged, it's not been ruled to have any problems with it and it's a smooth running system, that realizing that there may be a special wrinkle that'll come up, we have our best chance of getting through that the first time around by following that same procedure. We may have to tweak it for our next landowner election after we learn what our special issues might be here. The other thing I'll say about your question as far as the 30 day period, Northern has only two weeks. They actually have their landowner election on the same day as the popular election; we have approximately a two month period between the popular elections on Election Day in November until our time in January when we have our landowner meeting. We felt that is an advantage for us in that we're a smaller community, we need to have potential supervisors willing to step up to the plate. In all likelihood, we may have a problem, as a matter of fact, it's my understanding, we're only going to have three candidates to declare their candidacy for the popular election coming up, these two seats that are coming up, in November; right now there are three people interested in being supervisors. It's entirely likely that whoever is defeated in this popular election would be the logical choice to run for the landowner seat in January. Also, by having that two month period between the November election and our landowner election in January, that gives the defeated candidate from November a couple of weeks to declare himself for that landowner seat in January. The other thing is there's nothing that I've been able to find, in reading the Sun 'n Lake charter, the statutes about the ability to nominate a candidate and vote on it from the floor at the landowner meeting. I was unable to find any problem with the statutes in that regard; that's been a procedure in the past, but whether or not we're following that procedure has created precedent that somebody might be able to challenge what we're doing on the basis of precedent, I don't know; that's a legal question. These questions were asked, the opinion

came back through Mr. Wright from Mr. McClure that there doesn't seem to be any conflict with the ordinances written under Highlands County that we don't need to go to Highlands County to ask that our ordinance be changed to accommodate this procedure. We had concurrence from John from a legal standpoint, from the landowner committee, from the landowner standpoint and from Mr. Wright from District staff standpoint that this appeared to be the best approach to take for this next landowner election.

President Gangemi: Okay, so what we're looking for right now is some sort of adaptation of Northern Palm Beach County Improvement... Supervisor Guglielmi: Do you mind if I make a comment? President Gangemi: I'm sorry, go right ahead. Supervisor Guglielmi: Tom, first of all, the 30 day is at least 30 days. Mr. Kosty: At least 30 days; correct. Supervisor Guglielmi: Second thing is, can you say that SDS be instructed to establish procedures similar to or based on Northern Palm Beach County? In other words, establish procedures for us and use that as a reference and that way you get away from using theirs verbatim? Mr. McClure: If I may interject, sir. I would answer that in this way. The responsibility to establish procedures is not with SDS, it's with you. One of the procedures that we will establish is the establishment of a position of an election auditor; an outside party to monitor and audit the election to conduct and audit the election; that's SDS's role which is to follow your rules in conducting this election. Supervisor Guglielmi: I understand that, John. There's nobody here that's that conversing with these rules that we can establish our own... Mr. McClure: My point is we're not voting on this today. Supervisor Guglielmi: I know we're not. I'm just making suggestions. We don't want to say we're going to use North Palm Beach County's rules; we want to establish our own based on theirs. The other question I have is how much is SDS going to charge us to do this? Mr. Kosty: They're already under contract of \$5,000 to do this and they've agreed. Supervisor Guglielmi: To do the whole thing? Mr. Kosty: To do the whole thing for \$5,000, which, probably, is no more than what it would cost to have our own District staff do it as they've done in the past. Supervisor Guglielmi: This is not a document that's going to be cast in stone, right? Mr. Kosty: No, this is a recommendation that a resolution be considered by the Board; this is not a resolution; this is a recommendation that a resolution be drafted by District staff for the Board to consider.

Supervisor Halbig: Who puts together the list of rules and the resolution? John, are you going to do that? Mr. Wright: We'll work with SDS and bring it back to you. Supervisor Halbig: Okay. Then we have to have a public hearing? Mr. McClure: Yes. Supervisor Halbig: The timing is pretty important, I think, because... Mr. Wright: Yes. Mr. McClure: Assuming the Board is in concept moving forward, then we would immediately develop these procedures for presentation and, hopefully, initial adoption by the Board and then approval by the Board in concept so then we go out to the landowner's and then we have another hearing before your final adoption of the procedures. Mr. Kosty: I will say this. There is a write up of the entire procedure on their website and it's four pages. There is also a proxy form on their website for individuals and that's one page. There's a proxy form on their website for corporate ownership of property and that's also one page. In six pages of documentation they cover the entire thing on their website. Mr. Wright: I'll send that to you later today or first thing in the morning.

Supervisor Johnson: Tom, is the District involved at all in the cost? SDS is \$5,000, does that include if we're going to do all these mailings? Mr. Kosty: No, that's doesn't include mailings. That was discussed with District staff at our meeting with SDS as well. As in the past the recommendation is that mailings and requests for proxy forms and etc. should be the responsibility of the candidates and not of District tax money. If the candidate is interested in getting registered landowner information from the District, that's available and you can get it at any time; you can get it on disc or even through the email; Julixa has provided me with current landownership information; free if it's email or a buck and a half for the cost of the disc if you want it on disc. It was decided that it's really not District staff or tax payer responsibility to promote any candidacy for election to this Board of Supervisors. President Gangemi: I think we discussed that before. What do we have to do right now? Is there a consensus of the Board to turn around and say let's go with this? John, how soon can we get it accomplished? Mr. Kosty: Take a look at the Northern website where this information is made available. President Gangemi: We can put it in the newsletter or on the email listing. Mr. Kosty: Exactly. President Gangemi: It becomes the responsibility of the candidate and you've got to have some pretty good time management skills to get it done in 30 days; some people got it done in 2 weeks. I think it's just fair for the candidates to absorb some of the cost in this and not put the burden on the tax payers or anything like that. Mr. Kosty: Nothing says that a person who wants to run for that landowner seat can't get started right

now. President Gangemi: Absolutely. If the interest is there then people will probably do it.

Mr. Kosty: Correct.

President Gangemi: Do we need a motion or a vote? Mr. Wright: Actually, in talking with Mr. McClure, if we could just get a consensus of the Board for us to proceed, we'll bring you back all of the information for consideration, probably, at the July meeting. President Gangemi: Do we have a consensus of the Board?

Public Comments:

1. Rusty Carino: I've got something to say if I may. You're making a change in regards to the voting and the charter, but in the very first line, underneath provisions, it says that all requirements of Highlands County Ordinance Chapter 9, Article 5 be adhered to. If you're making changes then you're not adhering to that amendment. Could you please explain that? Mr. McClure: I could explain that. What the Board is saying is this. If you review the enabling act, the charter, and look over the landowner election language all it says, basically, is that there will be a landowner's election that will be conducted. What procedures apply to the conduct of that election and things of that nature is what we're trying to establish here. What we're trying to do is actually remove controversy; it seems like every time we have one of these elections there's controversy as to what we should have done. We're trying to develop the rules and you and everybody else will have input into what those rules will be at the next meeting when they're brought to the Board. You'll have a chance to review them and look them over. That, basically, is what we're seeking to do; it does not require an ordinance change simply because there's nothing in the ordinance that addresses what exact procedures will be utilized. The Board is seeking to establish those procedures so everybody knows what the rules are and everybody plays by the rules. Mr. Carino: Alright, I understand what you're saying, but you're creating confusion already in this statement. Mr. McClure: I didn't write that, first of all. Mr. Carino: I was reading this thing and thinking what is going on because you're saying the opposite. President Gangemi: Rusty, we haven't even gotten to that point yet. We haven't gotten to the point where we're going to accept public comment on this. We're just trying to get some sort of an idea of how we're going to do this and when we bring it back after it's

been looked at we'll bring it up for public comment. Mr. Carino: I was just trying to make a point to let you know to include this in your thinking. Thank you.

8. Staff Reports
9. General Counsel Report – John McClure
 - a. Litigation Report
 - b. Foreclosure Report

With respect to the legal report there are a couple of items. Number one is on the Maguire Trust. I think you probably already know that the appellate brief was filed by the folks doing the appeal and all of the answers by each of the defendants, including the District, those answers were all due June 29th and as soon as they're filed we'll try to get them out to the Board. I don't expect to see anything new; it's simply going to be a brief arguing of all the points that we have previously asserted with respect to lack of standing.

The next issue is the Fifth Third Bank litigation. As I'm sure you know, Fifth Third Bank did file an answer and, I believe, it's all been provided to you. The answer was filed on June 5th and in their answer, essentially, they did not assert much of anything except that they denied that the District had performed in accordance with the requirements under the note; they requested the court to continue to find the District in default and to resolve other matters as might be necessary in seeking their award of their cost in defending the matter. I expected something a little stronger if they were going to be contesting it. In my opinion, the answer could be read a lot of different ways, but one way that I would read it is that, "Here's the answer, we're not going to do too much to get you too mad; keep the door open for settling this thing." That's, kind of, where we're at right now. They can always amend their answer later if required. I haven't spoken to Mr. Gonzalez yet; we'll probably need to know what we want to do now because I think having voted to follow the lawsuit we need to aggressively pursue the determination by the court and if the bank wishes to settle anything in the meantime we can talk to them, but I think it's full speed ahead. That would be my recommendation to the attorney and I'm, kind of, seeking the Board's concurrence on that as well because I'll be speaking with Mr. Gonzalez this afternoon.

President Gangemi: I read their responses and I think we have already drawn the line in the sand on this and the only way this is going to be resolved is to go to the jury trial that we requested. If we back out now then the efforts we put forward previously are really... Let's see what Fifth Third Bank comes back with. If they want to come back with some sort of resolution or some sort of agreement to do whatever they might do with these properties. Mr. McClure: In my opinion, again, if the bank were going to cave on this issue they wouldn't be filing an answer and defending pressing forward for the legal fees. Apparently, they are going to contest the declaration of default. I think if they lose on that issue, and they might very well, it's going to be rather catastrophic for them to be in a position to move very far forward with anything else and I think they realize that.

I've also presented to you the reports for the litigation report and the foreclosure report. They pretty much speak for themselves. I've updated you on the two key litigation items that I'm aware of. Other than those matters I believe I have nothing further that I would initiate. I know other things will come up in the meeting later that I will need to address, but I will not initiate those.

President Gangemi: Anything on Magnolia? Mr. McClure: The Magnolia update, as you will call it to be, I think it was a couple of weeks ago or so I was finally able to locate, I had to search a lot, but I was finally able to locate the mortgage holder and spoke with him personally. He assured me that they had every intention of paying. They were simply in the process of working through some final things. I think they realize that Mr. Buyers is pretty much written off any further involvement. They're going to have to step into it and they want to preserve their position so they'll be paying us. President Gangemi: Okay. Thank you very much.

10. General Manager Report – Michael Wright

I'll be brief because I know we have a very lengthy discussion that begins shortly. The Community Center is going to be closed Monday, I believe, for two weeks. We're going to be putting the front porch on, if you will, the portico. We're not going to start the gazebo work until after the 4th of July, but that is proceeding. In talking with the Road and Bridge Superintendent earlier this week and they hope to begin their paving shortly after the 4th of July as well. They've got to wrap up some paving projects down in the south part of the county before they bring their equipment up here, but everything has been signed and everything is agreed to; it's just a matter of scheduling the work.

11. Unfinished Business

12. New Business

13. Committee Reports

- a. Community Services Monthly Report
- b. Code Enforcement Monthly Report

President Gangemi: I see the Community Report and the Code Enforcement Report. Next month can we see the Security Report put in there, too? Mr. Wright: Yes, sir. That did come in after the agendas went out, but we'll include it in the next one.

Supervisor Johnson: I have a question about Code Enforcement. Why do we have code enforcement riding around one day with security? Mr. Wright: They often work together identifying problems. I guess they get together, I think, once a week. It's very common because security is out as well and they see things; they're working fairly close together. Supervisor Guglielmi: If I was knocking on someone's door I think I'd want somebody with me.

14. Public Comments

1. Pat Gangemi: Mr. McClure, I was very pleased that not only did you put forth the effort to locate the mortgage holder for the Magnolia Property and personally spoke to him about paying, but do you have any indication of when that may occur or start to occur? Mr. McClure: I know that they were reviewing that and he assured me that it would be forthcoming in the next, I would say, within 60 days of that phone call. I don't want to be held to that, but I think that was his understanding. Mrs. Gangemi: I promise I won't put your feet to the fire for the 60 days. Thank you. I'd just like to make a quick comment on Tom Kosty's letter regarding the changes to the election. It seems when I read this it only pertains to the 2012 election. I would just like to make the Board aware that maybe we should encompass it in all future elections in this so that we don't have to keep rehashing this. I know that it can be reworked. If this is to pertain only to the 2012 election, that's fine, but if it's not I would like to have all future elections somehow incorporated into the language. Thank you. Supervisor Miller: Pat, let me answer that. I think the intent is to give SDS the responsibility for the 2012 election. I assume it's, kind of, a probationary situation and we'll see how it goes. Is that right, Tom? We're not going to hire them forever without some kind of review. Mr. Kosty: Yes, SDS does not run the northern Palm Beach County election.

There is a law firm, I believe, in Boca Raton who is doing it for them and others. SDS is not the only company that does this, however, they're already here working on other things and we contacted them for a price and they gave us one. We also contacted the law firm that does northern Palm Beach, but they said they'd get back to us and they didn't. This seemed to be a very logical way to go for the first one. I don't have a problem with going forward; however, our ordinance does very specifically address the 2012 Landowner Election as to who is going to get elected, when and how whether or not you want to go forward. We just felt that there would, probably, be a tweaking afterward; we'll find some problems as we go through this next time. Supervisor Miller: Pat, again, I don't think we should have an open ended commitment. I think we should see what happens in 2012 and if we're satisfied with their input and performance then we'll do it again. I sort of look at it as a probationary assignment. Mrs. Gangemi: I understand that there, probably, will be provisions to whatever takes place. Thank you. Mr. McClure: If I could address Mrs. Gangemi's comment just briefly, too. My understanding is that the Board is going to adopt procedures that will apply to all landowner elections and if they need to be tweaked after this landowner election you can. SDS is being hired to conduct this election only and so the election auditor position, which would be in the procedures, would be up for anybody at subsequent elections. President Gangemi: That's right; that's correct. That's my understanding.

2. Rex Bond: I don't know why we're hiring somebody to run the election. We've got 3,000 some homes here and, obviously, goodness knows how many thousand landowners and none of them are competence to run a very simple election. My summation would be to Google the laws of the State of Florida. We've been discussing this thing for 35 years and as sharp as you might be you're not going to solve it in a 2 or 3 hour discussion. I would suggest that Mr. Campbell conduct the landowner's election according to the laws of the State of Florida along with the other election that we have. There have been court cases in the past, and I'm certainly not a lawyer, Mr. McClure will tell you that, but courts have always said that the landowner should have more say than the private property owners or the people that run for public office; it's just an actual thing because the landowner's have more financial risks than most of the other people. Nevertheless, I would like to see what Mr. Campbell would do.

Supervisor Miller: Excuse me, Rex. We've specifically asked Joe Campbell that very

question that you put forward and he's not going to touch the landowner election with a 10 foot pole. He says he can't do it by law and he doesn't want to do it. We've been there and tried that. Mr. Bond: Why don't we get that in writing where we'll have something to put in file for future use? We just need a little back up now and then. Anyhow, a couple of comments about the sewer treatment plant. We have some other problems, probably, in the water and sewer division that needs as much or more attention than what we're talking about. I'm for the project, this stuff is worn out, but for many years we have talked about the water lines coming up through or around the circle. While the water lines were good in their days they're certainly not good today. We need to look at that because if we had a water break and the hospital has no other source to get water we can't deliver to them and we're in difficulty. We need to take a look, and this is no criticism toward anybody, but we need to take a look at all of our main water lines going in and around that circle. I know that we're going to have some road work; hopefully, on Sun 'n Lake Boulevard and we need to get in there and get out of there. If those lines are good and they're not too old, wonderful and fine, but if we have the money, and it's obvious that we do, we might as well spend it on something that will, maybe, give us a return. We approve these resolutions, too, and it's awfully hard for the public to understand these resolutions for the simple fact that you don't put pricing figures in there. Show me in any resolution, unless you've got something that I don't have, that has a price. President Gangemi: It's in the resolution. If you have a copy of the resolution it has the money in there. Mr. Bond: Thank you very much. Let me say this, too. This Board has a terrible habit of not acting on public requests. You promised it in writing, but you don't do it. It is absolutely worthless for people in the public to come and address this Board and get any action. Thank you.

3. Bill Jackson: It certainly is encouraging stabilizing the rules for elections on property owners. If you've lived here in the past you've seen that these rules change at the last minute and depending on who controls the office over there, which is not that way anymore, I'm glad, all sorts of funny things happen. I would encourage that they do this, come up with something that makes it a little difficult to change where a Board can't change it at the last minute to benefit who they want to run for that office; I would encourage that. One other thing I have not heard of in a long time is the payment of our assessments; they keep saying we're in bankruptcy. If things aren't mentioned or moved on we'll all vanish into the wind one day. If we're owed money, and how much

do we owe, Mr. McClure? Mr. Wright: One hundred and fifty thousand. Mr. Jackson: I would suggest we look at the possibility of taking other action. I don't know what that is, my Judge Judy law degree doesn't go that far, but I would suggest that we do something. That's \$150,000 just hanging out there that we seem to be waiting for the earth to fall and it's going to happen and we're going to be out of this. I haven't heard anything about going to these meetings, meeting with these people and where this is all going; I've heard nothing about that. I would hope that we could look into doing something, even if it's foreclosing on that place, and stir them up because there's a lot of money involved here. It's just a suggestion and maybe we're all wrong, but, Mr. McClure, is there anything we can do? Mr. McClure: Sure. The question is what can we do? We can foreclose. In order to do that we would have to hire separate bankruptcy counsel to have the automatic stay release based on a showing of lack of equity in the building. Essentially, I think they're, probably, upside down. Mr. Wright and I met with the mortgage holders of the building, I think, and they were really frustrated because they didn't know what to do. As you might recall, you see for sale now and the signs keep changing about who's in ownership. These guys who hold the mortgage are really frustrated because nothing they seem to do will fill the hotel. In fact, the whole back part of the hotel is closed off and unoccupied; it can't be occupied because it's in terrible shape. My concern is this, number one, because there is a mortgage these guys are aware of their debt to us. They're not trying to deny that they owe us they just don't know what to do as things, kind of, fester. The five year rule is what we're really concerned with in terms of losing any portion of our assessment on that property. I don't think we're there yet; we're in pretty good shape in terms of holding on to our position. If we are to foreclose on that building we could wipe out the mortgage, that's true. I think they would defend simply because there is value in the building of some kind if nothing other than the location of the place. We could proceed on that basis, I suppose. The concern is if they didn't defend and now we own the thing what are we going to do with it? If all we have in it is our assessments of \$150,000 I would like to think that somewhere along the line there's somebody that would be willing to proceed with that. The legal fees, with respect to the bankruptcies, length of stay and whatever it takes to foreclose, if that's contested I don't know what it would amount to. All the legal issues that would be addressed would be priority of our lien over the priority of their mortgage and the typical things that you would see

argued. I don't know if that fully addressed your question. Mr. Jackson: That was a lot of additional information, thank you. If we would talk it over we would sell it for \$200,000. Mr. Wright: Well, it's about ¼ of a million owed to county as well. Mr. Jackson: Bankruptcy, if took over is up to them, isn't it? Mr. McClure: We would be liable for the taxes. Mr. Jackson: I would hope that a little creative thinking might go into this. Remember, we couldn't collect assessments in here. The previous Board said they couldn't do anything about that, but Mr. Gangemi came up with an idea and now we've got \$500,000 or more in our pockets. I would suggest we start looking at this; \$150,000 is nothing to sneeze at, but we don't want to spend \$300,000 to get it, though. I would say we start thinking about that and see what we can do to get our money. That's what we want is our money; whatever they want to do is up to them. I don't have the expertise, but if I had the answer I would tell you. I do think we need to start thinking about this and get our money before it's all gone. Mr. McClure: I think in what Mr. Wright was saying, and I fully agree with this, is the base price to even think about anything is, assuming \$50,000 ends up in the foreclosure cost or whatever, I don't know what it's going to be, I'm just saying that worst case... now we have \$200,000 in it with our past assessments, legal costs, we have to pay the county their \$250,000 so base price is \$450,000 to attract anybody to even come in the door. That's the way we'd have to think. Mr. Jackson: Thank you very much.

4. George (Chairman Men's Golf Association): Ron Wonderling, in his upcoming budget workshop, will be proposing a budget for the MGA member relations. I represent the Board whole heartedly and I recommend his budget be approved. Thank you.
5. Pat Chapman: I am here again to complain about parking on the lawn. I've called Bob several times, I have gone to the office several times and the people next door, instead of parking one car on the lawn, are now parking four and three; none in the driveway but on the lawn. Something has got to be done because you promised to me in December when I came that they would have to have a pad down but they still haven't done anything about that. What is going on? Also, weeds are 10 inches high. I came down Tarrega Street and there are 8 garbage cans out in front of the houses. Why do we have rules of any kind here? President Gangemi: I certainly understand your frustration. I think you even called me at home... Mrs. Chapman: Yes. President Gangemi: I went down that Monday morning and you weren't home and I called you from the District and you weren't there either. Mrs. Chapman: I was probably at my

job. President Gangemi: You probably were. I know I'll talk with Mr. Wright about the conditions down there. I don't know other than to keep notifying them. What else can we do? Can the county do anything to help us out on this? Mr. Wright: No. Mrs. Chapman: Are you going to pass putting down a cement pad in order for them to park? President Gangemi: I don't know if we can force them to put down a cement pad. Mrs. Chapman: One time Bob told them they could put mulch down so they put one lousy bag of mulch down to park their car there. Supervisor Johnson: Our ordinance clearly says they have to be on some sort of a paved or some sort of foundation; they can't park on the grass. Mrs. Chapman: This is what I'm saying. Supervisor Johnson: What I was told, Mrs. Chapman, when I checked on it and I find this difficult, there's got to be a way that this isn't the case, I asked why we can't do something. The day I went by there were three cars and the other one in the garage was being worked on it looked like. Mrs. Chapman: Yes, he's always working on a car in the garage. Supervisor Johnson: I was told if they park on the lawn and tell them to get off the lawn they move it. Then, two weeks later they do it again that's a separate violation. At least take the license plate so we know it's the same guy doing it twice. It's crazy. Mrs. Chapman: They didn't have any cars parked in the driveway last week. I called Bob three times because they had four cars parked in the lawn and none in the driveway. This is ridiculous. Supervisor Halbig: Christi, you have something to do with code enforcement now I understand, can we put some extra heat on these people? Maybe what we need to do is tow them off. I don't know. Mr. Wright: Here's the problem you run into. Code enforcement is an abatement process and here's the problem we run into. They always cure the problem before it goes to the code enforcement board. You can't get them as a recidivist until they've been adjudicated in front of the magistrate. The problem is they move the cars; they park on the lawn and then they move it. When they move the cars the violation is abated and that's the problem you run into. Supervisor Johnson: But when they park again and it's the same license plate that suggests that he's doing it over. Mr. Wright: Yes, he is. Supervisor Johnson: He's not moving it; it's not abated because he's done it again. It would seem like if we, at least, got the license plate and know that it's the same car that we would be able to do something; at least try and, maybe, discourage them. Mr. Wright: I'll defer to the attorney, but I think you're going to find that the laws in Florida are very pro property rights to the individual that owns the property. What he's basically doing is he's being

a recidivist, no question about it, but he still hasn't been adjudicated yet. Supervisor Miller: One of the problems is the foundation and the fact that you can put mulch down right now and that qualifies he's correct under this ordinance. One of the things I was going to ask, Mike, when we get to the budget, is I would like to see a line item and an expenditure put in there to review our entire code enforcement procedure from, number one, the standpoint of getting tougher on what's happening here, particularly with the appearance and so forth, and secondly to see if we can't shorten the time of the process; as you go through it it's a very lengthy process. Mr. Wright: Yes, it is.

Supervisor Miller: I think we need some help on it. I don't think that it's something that comes from us locally; I think we need some outside help to address these very issues and see exactly how much we can push the envelope legally. Can we do that?

Mr. Wright: Sure. Supervisor Miller: Let's include it as a line item. Mrs. Chapman: Thank you.

6. Tom Kosty: On the same topic, here's a thought. The county ordinance does include mulch in the definition of a prepared surface. Perhaps an effort to get that taken care of might be followed in view of the fact that there is a county vehicle being parked on mulch in Sun 'n Lake on a regular basis; you might want to think about that a little bit carefully because it happens to be a Sheriff Deputy and if anybody wants to take that approach we have to keep that in mind. However, that vehicle is not being parked on private property it's being parked on district property; on District right of way, not on the property of the residence that's being rented by the Sheriff Deputy. Perhaps the Board would want to address the county with regard to the mulch, take that out and require some kind of an impervious surface, which has Rick Hulbert has pointed out in the past, is meant to prevent things like leakage, etc. from a vehicle getting into the ground; mulch would not prevent something like that. Perhaps a letter to the county might be a good jump. Supervisor Miller: Along those lines, we don't have to follow the county ordinance, is that correct? Mr. Wright: I believe that's correct. Supervisor Miller: As John says, it's legal until it's tested. I just think we need an overall tougher attitude toward this. I know the vehicle that Tom's talking about is on Matanzas; it's right up next to the pavement every day.
7. Bill Norcross: I didn't know the County Commissioner was going to be here today and so I didn't have a prepared statement. I wanted to congratulate the Board of County Commissioners, Linda Conrad, for listening to my appeals about the snipe signs that

are out there on Route 27; and the actions they took to clean it up. It looks better and I took before and after pictures and it worked out very well. We have other problems here with signs and either we're going to have somebody do something about it, other than myself, to put some teeth and get rid of these signs once and for all. We need to let the people know that they're not supposed to have yard sales other than on your property, you're not supposed to have estate sales all over the place; it's not right and it's against the District's bylaws. I really appreciate you guys taking a look at the signs because it's really... when you have all of that crap out there it's really a detriment to the community. When they do clear it up it really looks so much better and I thank you.

8. Bill Jackson: What I would suggest about this parking on the lawn is a little aggressive enforcement. Maybe we need someone to go over there about 4:00 or 5:00 in the morning, wake them up and tell them these cars are parked on the lawn; maybe at night around 11:00 they can go over there, knock on their door and say that the cars are illegally parked. President Gangemi: Bill, it's a good idea, but I don't want security people knocking on someone's door at 5:00 in the morning; or code enforcement doing that. It's too risky and it's not... Supervisor Halbig: Call them on the phone. Mr. Jackson: Yes, call them on the phone. President Gangemi: Whatever. Mr. Jackson: If you're stuck in a bind like this, nonconformance, you've got to make it something that they have to look at and ask if they're going to put up with this. President Gangemi: Thanks.
9. Rusty Carino: I received the report from SDS. I had an opportunity to sit down and do a little bit of reading and I hope that all of you had the same opportunity. President Gangemi: Rusty, we're going to discuss that on July 11th. Mr. Carino: Is it going to be opened up to... Who are you having? The gentleman that prepared this? President Gangemi: I believe we will, yes. In all fairness, can we hold off on that until July 11th? Mr. Carino: Yes, I will. Maybe you'd like to give a copy to Mr. Handley for his reading. President Gangemi: A copy of our audit report? Mr. Carino: Yes. Mr. Wright: Sure. President Gangemi: Sure, if he wants one. Do you need some more paper there, Mr. Handley? Mr. Handley: Sure, I don't have anything to read.
(Laughter)

15. Discussion to/from Board

Supervisor Guglielmi: I have a quick comment about parking the cars on the grass. There was a state police vehicle that used to park on the grass on Grenada. I called the state police station, I think it's in Arcadia or somewhere, and they basically started to interrogate me. They questioned what my right was to question him parking on the lawn so I, kind of, gave that one up. Our codes are more stringent than the county. Supervisor Miller: Not really. Supervisor Guglielmi: Well, they're supposed to be and that's why we have our own code enforcement people. We go through the process, like in the case where they don't cut their grass, we go through the process, they cut the grass once and there goes three or four months where they don't cut it again; the grass is three feet deep and we've got to go through the same process again. Once we get approved, why can't we keep cutting the grass and billing them? That's what I don't understand. It's so difficult to enforce any of things and it's, kind of, ridiculous.

Mr. McClure: The way we do ours is code enforcement and that means that it's always an after the fact thing. SpringLake, as an example, has in their enabling act the power to mow yards after notice and to assess the owners and add that to their assessment; it's part of their lien against the property, in other words. The issue is, how far do you want to go with this? Do we want to have a lawn mowing aspect of operation of the District where you ride around and mow properties that you deem to require mowing after notice to the owner and an opportunity for them to mow it first and then add that to their assessment? Just how beautiful do you want the community to be? How much money do you want the District to pay to make it beautiful? The rest of that is if you cannot collect that assessment from them, then that is public money going to somebody else's yard, basically; that's what it comes down to. How do you want to do it? Supervisor Guglielmi: If there is ability to do that then I think we should get it; let's do it. There are people here who spend thousands of dollars a year maintaining their yards then there's a slop next door who doesn't do anything. In Magnolia Place there's a beautiful house right in the corner and across the street there are empty lots where the grass grows three or four feet high and snakes come out of there. We cut it every three or four months then we got to go through the special magistrate. There's got to be a way to get authority to cut this and keep adding it and eventually just put a lien on the property or take it over. Supervisor Miller: Frank, that's the point I was making earlier. I think we need somebody qualified and objectively looking at this from the standpoint of getting a little bit tougher. We follow the county and the county says 18 inches before it's a violation of weeds and grass. Why is it 18 inches? Why not 6 inches or 7 inches? Somebody needs to look at that from the standpoint of getting tougher. They also need to look at it from the standpoint of can we move it through this appeal cycle and penalty cycle a lot faster than we're doing. We haven't done that so we need to have a line item in next year's budget that addresses that specific issue. Let's have somebody looking at it and see how tough we can get. Supervisor Johnson: In mowing lawns, wouldn't we have a

problem because we have so much vacant property here? Some units are more developed than others. I live on Myrtle Beach and there's one lot that does get mowed, but if you go down to the end of it down where they finished the road around the circle you've got people living there and they mow their lawns, but then you go, maybe, half a mile, around the curve, would you have to mow every one of those lots because that's a residential District? You have to be common sense about where you mow. Then the question comes up as to if we're giving preference to a person that lives where there's only one empty lot and it gets mowed as to another person where there's more lots and don't get mowed. I think you run into problems there because we're mowing people's lawns. Supervisor Guglielmi: Once those lots are prepared... if they're in their natural state with trees and everything else they don't have to do anything. Once they're prepared for build you have to maintain them. Those are the rules. Supervisor Johnson: Prepared for build means what? Clear it? Supervisor Guglielmi: Yes. The grass can only be so high. In order for us to get it cut we have to go through the special magistrate process which is a lengthy process. By that time the grass is, probably, three and a half feet high. Just like Dick is saying, we need some authority here to get some of these things done. Supervisor Miller: I'd just like to see some innovative thinking on this and get on with it and see what we can do. What you talked about makes sense, too, but we need to have a balance. We're not solving our problems in this area. Supervisor Guglielmi: Legally, you get all tangled up and John can explain that to you. We can't do anything it seems even though the rules are there; we can't enforce them unless we go through this long process. Supervisor Miller: John, you were gone when I made the comment, it's legal until it's challenged, right? That's your comment; your statement. Mr. McClure: What I said was while there may be people doing illegal things there is no correction mechanism for it until they're challenged. Supervisor Johnson: You did say we can change our ordinance to do things, correct? Supervisor Halbig: I don't know where it could be changed, but maybe the case of cars on a particular resident needs to be limited to a number like two. Can that happen? Why not? President Gangemi: What if there are three cars and a family? Supervisor Halbig: Somebody bought a house down the street from me and now they're parking five cars; four straight up and once cross ways. President Gangemi: Do they all have driver's licenses? Are they all insured? Supervisor Miller: We can go forever on this. Let's get somebody to look at it. President Gangemi: Okay.

Mr. McClure: We will recess this meeting and move to the workshop.

Supervisor Miller: I'm not done with my comments. I wanted to bring up the issue of golf cart usage. I stress that I don't need a discussion today or pros or cons, but I think we need to get started at relooking

at the issue here. This is prompted by a neighbor of mine that was stopped by the Sheriff's Department last week. He had lights, he had brakes, he had windshield and everything else. At 11:30 at night he was ticketed and cited for violation of Florida statute 316.212. The price of that ticket is \$166. He asked me what he could do about it so we've got three bases for our goal of cart regulations. Number one is State Statute 316, which talks about the use of golf carts on roadways. It does give latitude to local governments to enact their own rules in certain respects in terms of posting and so forth. Then we have a county resolution in 1989 that allows golf cart usage in Sun 'n Lake and believe it or not we found the map that tells you exactly within one mile of the clubhouse of all the streets you can use golf carts on. This map, by the way, is so old that they have Cortez Boulevard as Soto Boulevard, which I've never heard of before. Supervisor Guglielmi: Dick, can I make a comment? Sun 'n Lake Boulevard you can be within one mile of the clubhouse, but by Board resolutions in Sun 'n Lake... Supervisor Miller: I'm getting to that. Supervisor Guglielmi: Okay. Supervisor Miller: John, tell us what a resolution is opposed to an ordinance. Mr. McClure: An act of ordinance is something enforceable by law. A resolution, basically, is just something that is a decree that says this is what we're doing. Supervisor Miller: Okay. Anyway, in 1999 we enacted our own resolution where we increased the distance... it's interesting because it doesn't say from District Office but from the clubhouse until 1 1/2 miles. This map is a mile, if it's correct in scale, and it takes golf carts all the way to one block west of Cortez; it essentially covers the entire developed area. The issue that I found is, number one, we've got some pretty loose language in that 99' resolution and we have nothing since that time. We had a good summary of those rules in our newsletter, but it's stating what has happened. One of the problems that I see is in all three cases they talk about golf cart usage being limited from sun up to sun down, which may be fine at this time of the year, but think about in the height of our snowbird season when the sun goes down at 5:30 or whatever and you've got all sorts of carts coming out of the clubhouse. I think we need to take a look at that and see if a timeframe might be more reasonable. The other issue they talk about we're required to "post" those streets where you can use golf carts. I don't know if an overall map like that is a substitute for the posting. Mr. McClure: No. Supervisor Miller: Technically, then, we have not identified our streets, if John is correct, where we can have golf cart usage. The guy that stopped our resident was a new sheriff's deputy who kept him there for two hours while he was researching from 11:30 at night until 1:45 in the morning; he cited state statute 316; he didn't know about any of these other ordinances. One of the things is when we get done I talk to Michael Duram, who is the legal counsel for the Sheriff's Department; he has promised that he would do an education program for the deputies that patrol in here. I don't think we have to solve anything today, but I would like us to take a look at it from a standpoint of posting, the standpoint of distance from the clubhouse

and the standpoint of hours of operation. I think both the state statute and our 1999 resolution is pretty good with regards to the equipment required for golf carts if they're on the streets; lights, brakes and windshield. I'm just saying, Michael, we need to take a good look at that and at a later time bring it back to the Board. President Gangemi: Are you also going to include Tanglewood on this? Supervisor Miller: Tanglewood is private streets so it doesn't apply. President Gangemi: It's still part of Sun 'n Lake, though. Supervisor Miller: Yes, but if you look at the official map, Tanglewood is excluded. President Gangemi: Alright. Mr. McClure: If I may address something here quickly. That official map was adopted when the county owned and controlled all roads. Now that the county only owns and controls Sun 'n Lake Boulevard, I think that map has been superseded by the county's abandonment of the roadways in the District and we are now the local governing entity pursuant to the statute. Supervisor Guglielmi: Somewhere I read where all of Sun 'n Lake roads with the exception of Sun 'n Lake Boulevard you can drive a golf cart on. Sun 'n Lake Boulevard is one mile. I read it somewhere because I researched this a number of times; once when I bought my house because I had to go on Sun 'n Lake Boulevard in order to get to the golf course. I've looked at this a number of times. The other thing is, Mr. Handley, I'd like to address this to you, the other day I almost got hit. I was making a left turn onto Sun 'n Lake Boulevard, off of Sunrise, and somebody came sailing through that stop sign and never even hesitated. This goes on all the time and we have speeding within our District because nobody pays attention to the speed limit; they're going 60 mph in a 35 mph zone. The sheriff's are nonexistent; we never see them. Then they get \$166 ticket because of a golf cart. Let's use a little common sense here.

16. Recess – 10:50 a.m.

Date signed: _____

Eugene Gangemi, President

Transcribed by Julixa Robinson, Administrative Assistant/Board Secretary