

**SUN 'N LAKE OF SEBRING IMPROVEMENT DISTRICT
BOARD OF SUPERVISORS REGULAR MEETING
Friday, January 24, 2014**

MINUTES

The Regular Meeting of the Board of Supervisors of Sun 'n Lake of Sebring Improvement District was held Friday, January 24, 2014, at the Community Center, 3500 Edgewater Drive, Sebring, Florida 33872.

The meeting was called to order at 9:00 A.M. by President David Halbig.

SUPERVISORS PRESENT:

Mr. David Halbig, President
Mr. Richard Miller, Vice President
Mr. Eugene Gangemi
Mr. Richard Hulbert
Mr. Curt McCullough

The District General Manager, Michael Wright; Board Secretary, Julixa Robinson; Finance Director, Tanya Cannady; Community Services Director, Tenille Drury-Smith; Recreation Specialist, Jonathan Joles; Ron Wonderling, Billy Casper Golf; David Ford, Billy Casper Golf; David Bell, Billy Casper Golf; and McClure & Lobo, John McClure were present. There were approximately 6 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, February 14, 2014 at 9:00 A.M. at the Community Center, 3500 Edgewater Drive, Sebring FL 33872
 - b. We have a plaque for our outgoing Supervisor Gene Gangemi that I'd like to present to him for all his dedicated work. Let me uncover this thing to see what it looks like and if they've got your name spelled right because I always spelled it wrong. (Laughter) (Applause)

Supervisor Gangemi: Four years ago I was approached by a group of 35 people to see if I would run for a seat on the Board of Supervisors. I thought about it for a while and, really, I came to the conclusion to do it when my best friend and closest ally, my wife Pat, said to me, "If you don't do it, who will?" So I thought about it and thought about it and I said, "You're right!" After gathering about 35 people to go out and knock on doors and a number of meetings at their homes, we won. They got over 850 proxy votes to conclude my election. During the time, a lot of things have happened in Sun 'n Lake; there have been a lot of changes, a lot of good changes and a lot of it is due to people who stepped up to the plate.

We had an individual, Joe Eck, who's not here today, but he was instrumental in getting us over \$90,000 as the former manager paid the county, which he didn't have to pay at all; he got us back \$90,000. Another individual who's not here today is Bill Jackson, who is a strong supporter of ethics. If you look back in the records, you can see what he accomplished. Then we have Mr. and Mrs. Stange. Mrs. Stange is a persevering individual and sometimes tenacious, but through their efforts we got the third seat on the board, which we probably wouldn't have gotten unless we had Mrs. Stange go down, beat on doors and talk with people to get that done. Then we come into change of command at the district. We have Mr. Wright, who took the leadership role there and under his tutelage we have really accomplished a lot like infrastructure changes. Greg Griffin is probably one of the best general contractors and a super Public Works Director, who goes out of his way to help the district. He helps the district in a number of ways he doesn't even realize he's helping sometimes. He goes out with Mr. Hurley, Supervisor of Security, and they go and pluck a guy out of Arbuckle Creek who was lost. Arbuckle Creek is very well known for alligators. This guy would have been some alligator's lunch if they didn't go out and rescue him. Tanya is probably one of the best CPA's around. She has changed our budgeting methodology; it's concise, quick and done right. We have Tenille Smith and under her direction we've increased our beatification program and a number of events like the Fourth of July and the Egg Hunt, which is probably the biggest thing in Sebring; the Turkey Trot, Christmas trees and things like that. With the beatification committee, she and her workers, which were 3 couples, 13 people went down and planted 150 trees at the first circle. Out of 13 people, 3 of them were her children. They were down and digging in the dirt and having a great time. She shows compassion for the community, but also civic mindedness into her kids. As I go down the list I can see a number of people in the district that have taken the opportunity to expand the horizons and also chip in whenever they need it. We have Julixa over there who does a great job on the minutes and getting the paperwork out. There are a lot of great people down there. I think one of the biggest changes I can see is I stood fast when Fifth Third Bank wanted to slap us with a \$10 million note. We didn't owe that money and with the help of Mr. McClure, Mr. Loboizzo and the attorney Mr. Gonzalez from Tampa, we pushed back on that to the point where we didn't owe the money. We also got our 1% service charge in writing and I was able to get them to include protective covenants for the district property that we own on behalf of them. All of this was accomplished and I feel very proud about it. I was not going to let them stick us with a \$10 million note when other people thought we

morally owed it. We didn't owe it and it proved to be right. Mr. McClure, you and I have gone through a number of meetings, case trials, appeals and decisions. I really thank you for your insight in helping me understand and really fulfill my continuing education. I appreciate all you've done and... Oh, Mr. Ford; the new guy on the block here. You've done a great job on the course and Ron, you've done a great job with all the issues you've had over there. I really thank everybody. I think my two minutes are up. Thank you very much and I appreciate it. Best of luck to all of you! Good luck, Larry! (Applause)

4. **CONSENT AGENDA**

- a. Minutes of the Regular Board of Supervisors Meeting held Friday, January 10, 2013
- b. Acknowledge receipt of the Treasurer's Report including District Financials and Golf Operations Financials for the month of December 2013

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

Supervisor Hulbert-Y, Supervisor McCullough-Y, Supervisor Miller-Y, Supervisor Gangemi-Y,
President Halbig-Y

Consent Agenda was approved 5-0

President Halbig: I need a motion to adjourn this meeting to conduct the landowner meeting.

Supervisor Miller moved to approve and Supervisor Hulbert seconded.

Supervisor McCullough-Y, Supervisor Miller-Y, Supervisor Gangemi-Y, Supervisor Hulbert-Y,
President Halbig-Y

Approved 5-0

Regular Meeting Reconvened

5. **ACTION AGENDA**

President Halbig: I have an announcement: I want to welcome Larry to the table. Mr. White: Thank you. President Halbig: Good luck!

- a. Election of Officers to the Board

- 1. President

President Halbig: Do I have a nomination for president? I want to nominate Dick Miller. He is the standing vice president.

President Halbig moved to nominate Dick Miller and Supervisor McCullough seconded.

President Halbig: Are there any other nominations for president? We had a nomination and a second, so Mr. Miller will be president. Was that done right, John?

Mr. McClure: Let's go ahead and take an official vote just to have it in the minutes, sir. President Halbig: Okay. Call the roll!

Supervisor Miller-Y, Supervisor White-Y, Supervisor Hulbert-Y,
Supervisor McCullough-Y, President Halbig-Y

Approved 5-0

2. Vice President

President Halbig: The next nomination will be for vice president. Do I have any nominations for vice president?

Supervisor Miller moved to nominate Curt McCullough for vice president and President Halbig seconded.

President Halbig: Since Mr. McCullough is on a three year term, this will give him the opportunity for hopefully next year to fill the seat of president to get him in line. Do I have any other nominations?

Supervisor White-Y, Supervisor Hulbert-Y, Supervisor McCullough-Y,
Supervisor Miller-Y, President Halbig-Y

Approved 5-0

3. Treasurer

President Halbig: Next we have nomination for treasurer.

Supervisor Miller moved to nominate Tanya Cannady and Supervisor McCullough seconded.

President Halbig: Are there any other nominations? Call the roll!

Supervisor Hulbert-Y, Supervisor McCullough-Y, Supervisor Miller-Y,
Supervisor White-Y, President Halbig-Y
Approved 5-0

4. Secretary

President Halbig: The last nomination will be for secretary. Do I have anyone...?

Supervisor McCullough moved to nominate Julixa Robinson and Supervisor Miller seconded.

President Halbig: Any other nominations? Call the roll!

Supervisor McCullough-Y, Supervisor Miller-Y, Supervisor White-Y,
Supervisor Hulbert-Y, President Halbig-Y
Approved 5-0

c. Discussion with Scott Moeller, Duke Energy, regarding power line upgrades

President Halbig: Mike, I just saw Mr. Moeller from Duke Energy come in. For the sake of his time, can we switch because the discussion of the golf course management thing might take a while. Maybe we could get him to answer our questions and then that'll free him up.
Mr. Wright: Scott, you're up!

Mr. Moeller: Good morning citizens and the board. Thank you very much! I just wanted to talk a little bit this morning about the reconductoring of the line basically from the golf clubhouse into the rear section. I had talked about it a couple of weeks ago. It's in two sections. The first section is Sun 'n Lake Boulevard; it starts at Cortez and goes to Granada Boulevard. Are there any questions on that particular section? That was in place and the reconductoring will be done with wood lift poles that go down in between the spans.

President Halbig: I've got a question. Initially we talked about concrete versus wood, wood being the normal situation and concrete being an upgrade, which we paid for initially. We asked about the span between the poles and you said currently the concrete spans are 300 feet, which is adequate to do what you need to do, but anything that needs to be replaced, needs to be replaced with either concrete as an upgrade or wood as a normal situation. Later on after that meeting, I got emails that suggested we need intermediate poles between the 300

foot span to hold the weight of the wire that's going to go in, so it's like a moving target. Initially 300 feet was adequate and now you have to put a wooden pole at the 150 foot interval in between the existing concrete poles, is that correct? Mr. Moeller: If I had stated 300 feet then I might have misspoke on that. It does require an intermediate pole because of the weight of the wire. The 336 is fine on the 300 foot run; the 795 that they're going to put in is much heavier and larger wire to be able to support the load; it will require an intermediate pole. Supervisor McCullough: Why are you changing the wire to begin with? Mr. Moeller: Two reasons: First of all is the growth and the load that's in that section. As you've seen over the last few weeks, load grows with the coldness outside, so now we're hitting temperatures in the 30 degree area down here causing more load on that section. The first part is the growth that's in that section back there and it's going to require an upgrade of the line. Secondly, if anything does happen on that, because it's a smaller wire, it's hard for us, because you're on a grid, to be able to change or move load around. We're going to upgrade all that section back there for the current load and the upgrade requires us to of course change out the wire and the pole to put additional poles in. Currently we're just talking about that section. The front section we're going to have to talk about a little bit more because some of that has changed. We're just trying to answer the questions on anything going from Cortez to Granada currently. Supervisor McCullough: What's the timeframe on getting this done? Mr. Moeller: That section has been engineered and is pretty much ready to go. It would probably start sometime in March or April timeframe. The first section, which is Sun 'n Lake to Cortez is currently being reengineered, so that's going to take a little bit more time; we're looking at probably the fall for completion of the project. Supervisor McCullough: I noticed along 27 that you're replacing some of the poles with steel poles. Is that an option here or would it even make any sense? Mr. Moeller: No, sir. Out there you've got a different type of wire; that's on a feeder type of thing out there and there's under built also, so that requires that type of pole.

Supervisor Hulbert: How far would the concrete poles have to be apart to carry this load?

Mr. Moeller: It would be reduced also. Supervisor Hulbert: How much? Mr. Moeller: It'd probably be the same; about 150 feet. To be honest with you, I'm not an engineer, so I didn't design the job. They designed the job based on run length, the wire size and then the weight of that wire.

Supervisor White: What's the cost to change it to concrete again? Mr. Moeller: If we were talking about the Cortez to Granada, that is \$36,619.52. President Halbig: Excuse me, that'd be from Sun 'n Lake Boulevard to Granada on Cortez I believe. Mr. Moeller: Yes. Cortez is the second section back there. Supervisor White: And there's no concrete there now? Supervisor McCullough: You're saying no matter what we do, there's going to be a pole every 150 feet whether it's concrete or wooden? It doesn't matter basically? Mr. Moeller: Yes. Now, someone just asked if we replaced all the concrete poles, what that figure was; that was the original figure. We're going to use the existing poles that are there and if you had to supplement in between there, you would cut that in half to roughly 16 poles that would have to be purchased and put in between; I don't have that figure. President Halbig: So the only decision we can make is whether or not we would put concrete and pay for them? Mr. Moeller: That option was given to you because years ago when you all put this area in, you upgraded to concrete going in that area. I wanted to make sure you all had that option. We have a certain bill, a certain dollar amount, in a job and the wood poles is what's required for us as a base model essentially. The concrete model would be an upgrade and that is the additional cost associated with that.

Supervisor Miller: Would there be any other cost if we decided at a later date to upgrade to concrete to replace the wood poles that you'll be putting in? For example, let's say three years from now, would that be the same cost? Mr. Moeller: No, sir, you would have to pay then because crew time and that sort of thing is figured in that job cost currently on the wood poles. You'd have to pay the additional cost to do the whole job essentially of the 16 poles that were wood instead of concrete. Supervisor Miller: Just on Cortez, which is really at the back end of our community, you're saying that the cost would be \$36,000. Is that correct? Mr. Moeller: If you went with all new concrete poles. If you supplement it then we could take that cost down to I think there are 16 poles that are concrete that are needed as lift essential poles. Supervisor Miller: We're still talking over \$20,000 for that? Mr. Moeller: Just a little under; yes. Supervisor Miller: I don't know how the board feels, but I'd rather put that money into new security cameras than concrete poles. Supervisor McCullough: I think if we had a long range goal burying those cables in five years or whatever then I don't see it fit... Supervisor Miller: Not on Cortez; we wouldn't bury them on Cortez. Supervisor McCullough: Maybe someday you will. Supervisor Miller: Are you looking for an immediate decision? Mr. Moeller: You all are asking for timeframes. That project is ready

to go. Once you all give me the decision then I can get that scheduled and we could get that started. The first section, by the county, they will not permit us to reconductor in place. In other words, the poles that are going down through that section of Sun 'n Lake to Cortez, we're going to have to move that section of line probably to the other side of the sidewalk over there as you go down. There are two reasons: number one is safety and the second reason is, of course, if you all in the future, five years from now, which I guess they're looking at, put multiple lanes going on back to that back section; all that would have to be moved. We're going to try and get that out of the way for planning purposes also.

Supervisor Miller: That's the County's nickel? Mr. Moeller: The County's nickel as in what? Supervisor Miller: Along Sun 'n Lake Boulevard? It's Sun 'n Lake, by the way, not Sun 'n Lakes. Mr. Moeller: Right. Supervisor Miller: Along that road, which is a county road. Mr. Moeller: That is a project that if you all go with wood poles on the other side of the sidewalk, there's no charge from that section all the way down to Cortez. Supervisor Miller: What I'm saying is that's not our road; that's a county road. Who pays for that improvement along Sun 'n Lake Boulevard? Mr. Moeller: If it's an improvement as in you all are going to go with an upgrade of concrete poles, it would be you that would pay that cost. Supervisor Miller: And why is that? Mr. Moeller: I would say because it is within your district. President Halbig: Since we can't use the current line that we've got now and we've got to move the poles, we're not going to have to pay for the intermediate poles, we're going to have to pay for all the poles. Mr. Moeller: All of the concrete poles going down... President Halbig: Because the county said to move it over there. Mr. Moeller: Keep in mind, I just drove that today. That's moving that line out of being fairly close to the road over to the other side of the sidewalk, which is lined up with the wooded area going down through there, so you're really kind of moving that whole area out of the site.

President Halbig: Let me ask a question. Since we would have to pay for moving all the poles if we want them concrete and they're going to have to be moved over anyway then could they put together when they're looking at engineering this thing, the cost of burying that line from where that would start down to the corner of Cortez? Mr. Moeller: I gave a figure of I think 650 feet that somebody had an interest in of burying just outside your clubhouse here and it was around \$200,000 based on the distance; that was just a guess. Once you all decide this is something that you want to do as in burying the lines, we have to have an engineering study done, which is about \$5,000 to \$6,000 for a firm price to do that,

which is taking off the price if you do the project; it's included. President Halbig: But the engineer doesn't seem like it'd be that complicated of an engineering study just to bury wires for a quarter of a mile or whatever that is or probably less than a half a mile. Mr. Moeller: It's more extensive than what you think. The area that I figure here was based off the study from US 27 to here. It may be less due to the fact that there are as less build out in that stretch right there, but still to bore that, and that's a pretty good distance, it's going to be fairly expensive. President Halbig: We did that whole Unit 16 infrastructure improvement; 853 lots covering I don't know how many miles and miles of roads when we did that. That whole underground electric cost was less than \$700,000. That included that engineering, the burying the wires, the transfer and the whole thing. Mr. Moeller: You have to look at what size wire that was. The wire and conduit going down through here is \$795,000; that's expensive wire.

Supervisor Miller: When you move these poles, you have to stay within the right of way. Is that correct? Mr. Moeller: That's correct. Supervisor Miller: John, that's county right of way. Why do we end up paying for that change? Mr. McClure: The right of way is just a legal right to emplace utilities in there. The cost of emplacement is a whole different deal. Supervisor Miller: Yes, but that's imminent domain involved in that. We can't do anything on that right of way. Mr. McClure: They're not talking about acquisition of right of way; we're talking about right of way that's already dedicated. There's no cost to acquire the right of way. The cost is an emplacement of the lines and what you do with that. Supervisor Miller: Do you concur with the fact that it's our nickel along Sun 'n Lake Boulevard? Mr. McClure: What he has said is this. We would put it in on their nickel for the improvements that they want according to the specifications that they require. If we want it upgraded, it's on our nickel. Supervisor Miller: No, that's not what I heard. I heard that we have to move those poles from where they are now up on the other side of the sidewalk, but still within the right of way and the cost of moving those poles will be billed to us. Am I correct? Mr. Moeller: It will be, as he said, no cost if you go with the wood poles. Supervisor Miller: Even though you're going to move everything up...? Okay. I didn't understand that. President Halbig: How many concrete poles are required along that stretch? Do you have a number? Mr. Moeller: Currently I showed 37 in the design of the past design. I don't think it would change more than maybe a pole or two in the new design, but that's currently being done, so that's on hold until we get the design done, it's blessed by the county and then you

all say what it is that you want to do. President Halbig: The span in between those poles currently now would hold the heavier wire that you're... Mr. Moeller: It's pretty much the same. Supervisor McCullough: Do you reuse those poles along Sun 'n Lake? Mr. Moeller: They're at their lifespan currently. Supervisor McCullough: Okay. Supervisor White: They will be scrap when they come out? Mr. Moeller: Unless you all want them for something. Supervisor McCullough: I was wondering if you could use them along Cortez. Mr. Moeller: No. Supervisor McCullough: No. President Halbig: What's the right of way? How far is the right of way? Supervisor Miller: What is it, 100 feet? Mr. Wright: No, it's more than that. I think it's 100 or 120. It's a wider right of way.

Supervisor Miller: Just out of curiosity, since this came up, we moved from Progress to Duke. Is there any change in the cost involved between the two organizations? Mr. Moeller: Not currently. What changes cost, and change even during the year or from year to year, would be the cost of wire or the cost to purchase poles. All of that is updated in the system a couple of times a year. Supervisor Miller: We're not talking any adjustments for an overhead or anything like that? Mr. Moeller: No.

Supervisor Hulbert: I've got a question. They're talking about moving those poles north of the sidewalk. If I remember correctly, I go down through there with my cart when I go to the club all the time and we just did some actual changes over there because we're infringing on a wetland. Mr. Wright: We're going to discuss that with him right after this meeting. Supervisor Hulbert: And there's a house there on Sun 'n Lake Boulevard. If they move those poles to the north of that sidewalk, that power line is going to go right over the driveway of that house. Mr. Wright: Yes, sir. Supervisor Hulbert: His property line comes all the way out to the sidewalk. Mr. Wright: Pretty close. They'll have to stay within the right of way. Supervisor Hulbert: They'll have to stay south of that sidewalk. Mr. Wright: That's what we're going to have to discuss with him because I don't think they took into consideration the location of that existing waterline. That's something we're going to discuss after this meeting. They may have to be on this side of the sidewalk.

President Halbig: Since there's going to be a cost anyway, you're going to move them over, so there's going to be a cost anyway and if we do an engineering study on burying those lines, we get credit for that either way if we bury it or if we don't bury it on a cost of moving

the poles over? Mr. Moeller: No, sir, the cost to do the wooden poles and that study is on us or essentially on the rate payers, which is all of us, so that cost is built into that job. Once you go to an underground situation, that's going to be a separate group that'll study that and engineer it. President Halbig: It seems a lot simpler to me to bury the line instead of putting them up on poles. It seems to me like it's a simpler process although you've got the ground. I don't know. I'd be willing to put up a few bucks to see what it would cost to bury those and then weigh the difference of what it's going to cost to move the whole setup over versus putting them underground on that stretch and we've got another stretch of underground; it's out of mind, out of sight. I don't know. You're going to do it anyway one way or the other. We don't have much choice on that matter. It's just a matter of how we want it accomplished and how much we're willing to pay for it. Mr. Moeller: Just keep in mind, and I know it sounds simple, but undergrounding is just very expensive. Supervisor Hulbert: I don't know about the rest of the board, but seeing more poles going up, more power lines going up, disturbs me. We've got all these subdivisions around here that they have a feeder line coming into them and then everything else is underground. To start putting up all these poles is going to make it look unsightly. I'm not for adding more poles; I'll tell you that right now. President Halbig: We don't have any choice. Supervisor Hulbert: I'd rather spend a little bit more for the concrete pole and have less... President Halbig: We don't have any choice. He just said that regardless on Cortez from Sun 'n Lake Boulevard to Granada, we have to add 16 poles and they're either going to be concrete or they're going to be wooden, but regardless we've got to have those intermediate poles. Mr. Moeller: He is correct. If you go and take a look, that is out of the site as you go down that road, it's going to be off to the side and closer to the woods where a wood pole is going to blend in better than a concrete pole. President Halbig: We're talking about the other stretch; Cortez from Sun 'n Lake Boulevard to Cortez. Regardless we're going to have more poles than what we've got now and we don't have any choice. They're either going to be wooden on your nickel or concrete on our nickel on Phase I then we're talking about whether or not we look at underground cost for... Mr. Moeller: In driving back there in that section, it's a wooded area and so the wood poles may blend in better than the concrete. Supervisor McCullough: I would suggest we put wood poles along Cortez and pay the \$5,000 for a study to bury the lines. Supervisor Miller: Yes, I live out in that neck of the woods, but who cares? You get 50 cars a day on that road and there are woods on both sides up and down. This would affect me more than you guys and I don't care if we have wood poles there. That's my feeling. President Halbig:

I agree with Curt McCullough's thought about just adding the wooden poles on that Phase I strip and then doing an engineering study as to what it would cost to bury the line because we're going to have two costs actually. This is what it costs to bury the line and this is what it costs to move them. Regardless we're going to have some costs, pretty significant costs, just because the county decides we're going to have to move these over, that county decision is going to cost us quite a bit of money. Mr. Moeller: One thing you want to consider... You're talking about undergrounding from here back to Cortez, that still leaves all the poles in the middle of the road from US 27 to here. From US 27 to here was roughly \$1.6 million, so from here going back there, I don't know how far that is, but if it's a mile then you're going to look at a similar cost. Mr. Wright: The dividing point I think is one block east of the second circle, which is Catalina; it's right in front of the nursing home, I believe, is where you stop. Mr. Moeller: I just don't want people to be confused. If you're going to do a study, you're actually talking about doing a study to do the underground of the back section. All the questions that have come from the board from way back has always been from 27 to here. President Halbig: That was before you came in here and told us you were going to upgrade the wires from here to there. That's why we're fishing for the best deal here. Supervisor Miller: There is no best deal. (Laughter) Supervisor Hulbert: I don't think we even got a true cost. Supervisor McCullough: We didn't pay for the study; that's why. Supervisor Hulbert: From 27 to the clubhouse to bury those wires; we never got a true cost. We got an estimate. Supervisor Miller: We have to have an engineering study. Supervisor Hulbert: You keep saying we've got to run lines all the way across to those business, but those lines are already underground; there aren't any lines going from the medium on Sun 'n Lake Boulevard or across the street to the doctor's offices or the hospital; they're already underground. Mr. Moeller: There are some businesses through there. Remember, what's in there will probably have to be upgraded. I'm just saying so we don't get bogged down in that, if you're interested in a study, we can do the study and give you a true cost. We have only given you up unto this point just a guesstimate from US 27 to here. Supervisor McCullough: If we requested the study from 27 to Cortez, would that be under the \$5,000 nickel? Mr. Moeller: It may be a little bit more, but like I said, if you all decide to do it at the end then that just goes off the cost of doing that job. Supervisor McCullough: What I'm saying is if we're going to pay the \$5,000 then we might as well get the whole thing done. Mr. Moeller: I would think you want to do the whole thing because I would think questions would come up with why we undergrounded the section from here back rather than doing the

front section. President Halbig: We undergrounded the section coming into the clubhouse to keep the wires off the back of the clubhouse, so we wouldn't have to sit there and look at a bunch of wires and I don't think that cost us anything when we built that clubhouse. Mr. Moeller: In fact, depending on how we did it, the cost for that may have been on the electrical side because you may have come from here and met us there. I didn't look at it coming in. President Halbig: I can't remember how it was done, but I know there was a discussion that we didn't want all those wires coming in to the building and destroy the looks.

Mr. Wright: Scott, do you anticipate upgrading the lines between where this project terminates 27? Mr. Moeller: That has 795 currently in the air. That's what we're saying. We have enough coming in initially because I've covered this area for a long time; the growth was up front. Now the growth is in the back and back here as you see and you're sitting on the smaller wire; that's what has been identified and the reason that we're doing this. President Halbig: The wire that feeds the new Unit 16 where we did the infrastructure improvement, is that adequate now? Mr. Moeller: I'm not sure where 16 is. Mr. Wright: It's where the clubhouse is and Cortez; it's the north... Mr. Moeller: Yes, that's 336. Everything pretty much from here back is the smaller wire. President Halbig: But it's adequate enough for any build out we have with those 1,000 lots or so? Mr. Moeller: No, it's not. You're pretty much in what's going back on the 336, you're at the level now that we're concerned because of the cold weather that you're currently having that you could have a problem. That's why we've done an engineering study to bring the wire up to 795. President Halbig: That all should have been addressed when that... Supervisor Hulbert: Wait a minute! Supervisor McCullough: We're talking two different things. Supervisor Hulbert: Right. With inside of Unit 16 where the wires are all underground, those wires are adequate even if all those lots were to sell and build out. Mr. Moeller: I would say they built that for that; yes. Supervisor Hulbert: Okay. What you're talking about is a feeder line going into that unit. Mr. Moeller: I believe so. If that's what we're talking about that goes from Cortez to Granada. President Halbig: I know exactly what you're talking about, but if the feeder lines... Even if the wire is big enough going in that geographic area, the feeder lines going in are not adequate, why wasn't that addressed when we did the whole project? That was the point I was trying to make. I don't know.

If you do a study, can you break it down to what it would cost to underground from 27 to here and then what it's going to cost from...? We might take a bite at a time on this thing. I don't see how that logistically, as far as your crew work or your labor, would make that much difference if you would just do one section instead of doing the whole section. I'd like to see it... I don't know the thoughts of everybody else, but... Mr. Moeller: Unless you decided to do the whole thing, I would think you would do the section from US 27 to here first and then if you don't have that money to do the other section maybe years down the road. Supervisor Miller: I like the idea of doing the study. Supervisor McCullough: Me, too. Supervisor Miller: I don't like the idea of upgrading along Cortez. I'd like to take that money that it would cost us for Cortez and put that toward new, upgraded security cameras. That's my thought. President Halbig: I agree with that. Supervisor McCullough: Me, too. President Halbig: We've got a consensus I think. What do you think, Larry? Do you agree with that? Supervisor White: That's my thinking, too. President Halbig: Rick? Supervisor Hulbert: I agree. Mr. Wright: Okay. Let me see if I could summarize what you're doing and correct me if I'm wrong. You're saying to go ahead and do the wooden poles from Sun 'n Lake to Granada on Cortez and then we're going to pay for the engineering study that's basically going to go from Cortez to 27 and it's going to be done in 2 parts. You're going to divide it where the current project you're talking about, which starts at about the nursing home, if you will, just east of the second circle to Cortez; that's the part you're going to upgrade now. The other part of the study will be from that point to US 27, but it'll be one comprehensive study with the 2 numbers that we add together one coming ahead of the other. President Halbig: I think you've got it right if everybody agrees to that.

Mr. Wright: I'll bring you a separate item on the security cameras with the appropriate authorization. Supervisor Miller: Yes. You indicated next cycle. When you said next cycle, you meant next budget, right? Mr. Wright: I was going to do the cameras next budget meeting, however, I'm going to have to bring you a budget amendment to basically cover the cost of the study. Supervisor Miller: I'd like to see us focus, again, earlier on upgrading those security cameras. Mr. Wright: I will bring you a companion item that will mingle with the electric item that says we want to upgrade cameras and here's what it would cost. In other words, I'll bring you two items. One will be the electric and then one will be the security cameras. President Halbig: I think the board would like to know how much the study is going to cost before we... Mr. Wright: That'll have to be in the resolution.

President Halbig: Okay. Mr. Moeller: Just so I'm clear, the back section is pretty much taken care of. Do you want all new...? In other words, all new poles, all wood poles in that section or do you want the concrete that's existing with intermediate wood poles? Supervisor McCullough: You might as well keep the concrete. Supervisor Miller: There's nothing wrong with the concrete poles we have, are there? Mr. Moeller: Not that I know of, no. I just didn't know if you wanted me to keep it the same or if you... Supervisor Hulbert: Leave the concrete poles there and just put intermediate wood poles in. Supervisor White: If we're just doing the back section, is the line big enough feeding that back section feeding what we're going to change, adequate for a short period of time? Mr. Moeller: Probably a short period of time, but it'll delay the critical, which will be the section going down through here; that's still 336. I'll have to get the study done and get it to you all and hopefully you'll make a decision of what you want to do, so we could probably do that section as it was scheduled in the second half of the year. Supervisor White: Okay. Mr. Moeller: Thank you very much for your time.

President Halbig: Tom, did you have a question? I don't know if we need public comment and we probably don't have to have it, but you seem like you're really antsy.

Public Comments:

1. Tom Kosty: I've got ants on this. I have two questions. Number one, in these upgraded numbers, these estimates that you're throwing out, are you giving numbers based on giving credit for what you would normally provide without cost to us? Are those numbers coming off your estimated cost to, for instance, bury or do the concrete? You are giving credit in that estimate for what you would do at no cost. Is that correct? Mr. Moeller: First of all, we would be doing the lines. Mr. Kosty: And that has a cost that you're going to absorb? Mr. Moeller: We don't absorb it. Mr. Kosty: It's in your rate and you're not going to charge us to do this change if we do it basic with no premium? Then when you say how much it would cost to do it with a premium, are you giving us the estimate on the actual cost or are you giving us an estimate on a difference in cost? Mr. Moeller: I'm only giving you an estimate to add the additional concrete poles. Mr. Kosty: We're talking big numbers here because \$5,000 worth the engineer's time is probably 2 1/2 or 3 days of engineering; it's not rocket science. I'm sure that Duke Energy or Progress Energy or Duke Power

have done this many, many times before. I don't think they're going to be reinventing anything to get this done. We're talking about a lot of money and they're going to be collecting a lot of money out of this. I don't think we should do anything without a good idea of exactly what it's going to cost. There's a lot of confusion about what these numbers mean, so let's get some hard numbers. President Halbig: That's what we're going to do. Mr. Kosty: And do an engineering study for all of it. Supervisor McCullough: That's what we're doing. President Halbig: That's what we're doing. Mr. Kosty: Okay. President Halbig: Okay. Mr. Kosty: I hear a lot of confusion here. President Halbig: No, no, we just defined it, so that's what we're doing. Thank you.

2. Gene Gangemi: This is the first time Duke Energy has come down here with proposals and yet we fail to see anything in writing and there aren't any maps. We're looking at 1,500 properties that are on the county's list in our district and we're sitting here looking at possibly burying some power lines at about \$1.5 million plus. I think right now we should take a step back and see a map or some type of project to see what it's going to cost us. We've talked back and forth, Mr. Kosty is confused, people on the board may be confused and people in the audience may be confused. I've worked with proposals and they've come in and said this is it and this is what it's going to cost you. Right now we don't know that the numbers that he's telling us are accurate. No disrespect, sir, but you don't have any numbers in front of you. Mr. Moeller: (Inaudible) Mr. Gangemi: I think you stated it would be around \$1.5 million. Mr. Moeller: As a guesstimate. Now you all have asked me to bring some figures. Mr. Gangemi: Do you have any figures to hand out to the board or to the district? President Halbig: He will as soon as he does the study, Gene. Mr. Gangemi: I understand, but the county is going to be spending some of this money and they should be spending some of this money because it's their road, not ours. They should be conducting the hearing as to what it's going to cost to do it and if they want to bury the lines. I think \$1.5 million to bury power lines is ridiculous just because you want it aesthetically pleasing. You're still going to have the poles there because they're going to have the lights there. If some individuals just have a dead set against looking at power lines then what do you do when you come down 27? Those are power lines on the road as well. I think you can spend \$1.5 million in a much better purpose than just burying some power lines; plus, they're going to move

the road anyway once they get passed Sun 'n Lake Boulevard; halfway up there; the road goes this way and then it takes an abrupt left. That's my feel on it. President Halbig: Thank you, Gene.

3. Pat Gangemi: In all of this discussion of burying the power lines and getting estimates and everything else, I have not heard anything stated about overruns because as I have said in the past, I consider Florida a do-over state. Right now I've seen projects that Sun 'n Lake has been involved in that once we're underway, all of a sudden it's costing almost double. I would like to see in the proposal a cap on any overrun. Thank you.

President Halbig: I believe we're through with Mr. Moeller. I appreciate you coming. Thank you very much! Mr. Wright: Scott, if you would, talk with Mr. Griffin for just a minute about some conflicts we may have on underground.

b. Discussion on request for proposals for Golf Course Management

Mr. Wright: If I could give a brief introduction. In the sake of full disclosure, I will tell you that this is an RFP that I put together with Mr. Wonderling because I felt like he had a good deal of expertise in this area. He and I have worked elaborately with it. It has a lot of redundancy in the beginning where we talk about what we have and what we expect... It's also got a number of blanks in there dealing with dates. Those dates we will fill in as part of this discussion today in some of the decisions that you'll make. How would you like to approach it; on a page by page or would you like to get through the meat of it? Supervisor Miller: We need a resolution. President Halbig: No, we don't have a resolution. All we're doing is discussing it. We're not going to do anything as far as the resolution. We're just going to have a discussion and probably do a little editing on the document as we go through it. I've got several things. I don't have a whole lot of items, but we need to edit this thing a little bit. We've got some misspelled words and some things in there that probably... Mr. Wright: There are some things we need to change that we've already picked up on. Take this as a rough draft because I knew you wanted to have a lot of input into this RFP. We tried to get it to you early in the process. Keep in mind, the contract is not up until November. President Halbig: Yes, I know it. Mr. Wright: This is probably going to be a three or four month process, so we've got plenty of time. The purpose of today is to discuss

what you want in the RFP and to make any changes. This is the first stab at it and I'm looking for input from you.

Supervisor McCullough: Page by page? President Halbig: Yes, we could go page by page. To start with, I don't know how you can ask an individual to... The second line "will qualify an individual" it almost has to be firm. I don't know if that should be in there or maybe it shouldn't be. Mr. Wright: We can take it out. President Halbig: Probably add the driving range into that first introduction, but as you get into the body, a lot of the things... I look at the introduction and think you should have added this or added that, but then you get into the body of the thing and it identifies things like driving range, tennis/pickleball courts, clubhouse grounds and things of that nature. Supervisor Miller: Are we discussing Page 2? President Halbig: Yes.

Supervisor Miller: Mike, first of all, let me say it's a pretty good first crack at it. I think it's comprehensive. In fact, if anything, it might overreach in a few spots. On Page 2, in that first paragraph of the introduction, you've got maintenance of tennis and pickleball facility and setup and break down of community center events; these are two additional items in the scope of work. Mr. Wright: Actually, they're doing the community center work now. Supervisor Miller: On an informal basis? Mr. Wright: It's part of what we pay them for. Supervisor Miller: I don't recall that in the last contract. Mr. Wright: Yes, there's an item where we paid Kitson... Ron, why don't you come up to the microphone because you were heavily involved in that? Then we talked about maintenance of the tennis courts; we're basically talking about blowing them off and putting in water and ice coolers and that type of thing. Supervisor Miller: Short answers, Ron; short. Mr. Wonderling: Sure. Speaking of the pickleball courts and setting up at the community center, over the years when we first got involved with Sun 'n Lake back in 2004, the one thing that the golf operation has opposed to the district is obviously we're open 365 days a year, holidays, and weekends. When things did occur, like in here, the first person they would usually call would be the golf clubhouse because we're open. It was never in our contract just being good people. Anything that the district has ever asked, "Hey, can you help us with this or that?" It was always no problem at all and there was never an additional charge or anything like that. Supervisor Miller: So that's informal. Let me go on. Mike, this addition of the tennis and pickleball, is that limited to just maintenance of that facility because Tenille has responsibility for oversight in terms of

the program? Is that transferred? Mr. Wonderling: What currently has happened is Tenille is in charge of all the programming and membership. What we've done is we've maintained them. Every morning they get cleaned, we do the landscaping and anything that Tenille and her team needs, we're there to help. Supervisor Miller: Nothing more than that? Mr. Wonderling: That's the only thing that we do currently; the maintenance of them would be our responsibility; that's how it's been set up. Mr. Wright: By the way, there's actually a line item we transfer money to Kitson for those and a variety of other services of the budget. Mr. Wonderling: Correct. The club pays for it. For instance, it pays for Simon, who does a lot of the staffing then we send an invoice to the district for that dollar amount; there's no extra charge. Whatever the charges are... Supervisor Miller: Mike, you don't anticipate any additional cost then in terms of this wording? Mr. Wonderling: From BCG standpoint, we're used to doing it. The reason it's in there when Michael and I discussed it, I can't speak for any other company when they come in, but they're going to want to know exactly what their duties are going to be and then they will obviously propose whatever fee they have in place. When we talked about it, I said to put everything that the club is currently doing, so it's on an equal playing field. Supervisor Miller: You might want to clarify that a little bit as to what specifically is... You're maintaining the area around the clubhouse now grounds wise, right? Mr. Wonderling: Correct. Michael and I can make some edits to that to be a little more definitive of exactly. Supervisor Miller: Sorry, Dave. President Halbig: The tennis and pickleball courts have to be included in the clubhouse grounds when it comes to maintenance. Currently you're back charging... I don't know if you're back charging for the maintenance of the pickleball courts now, but you are sending them a bill for tear down and so on and so forth for the community center. Mr. Wonderling: Sure. Mainly it's the labor that's associated with it and obviously there are some charges for replacing light bulbs and this and that. President Halbig: The maintenance cost of the tennis and pickleball courts now since they've been expanded and have got all this new landscaping is going to cost more than what it's been costing. Mr. Wonderling: Even on the clubhouse grounds we have the one person that's kind of in charge of the area. You'll notice we bring up other maintenance workers from the maintenance crew to help get things done a little quicker. From a tennis perspective, yes, there is more landscaping, but...

Supervisor Miller: Page 4. Supervisor McCullough: Page 3. I noticed in the background you've got Turtle Creek. I don't know if you meant that or not. Mr. Wright: Turtle Run.

Mr. Wonderling: There's no intention to change the name. President Halbig: There's a date on the top of Page 3 that we have to probably define. Mr. Wright: If we get through this today, our intent would be to advertise it and give folks, what do you think, Ron, 45 days? Mr. Wonderling: Whatever date... What you normally see in the marketplace is about a 30 day. What you do is you usually set up a site visit, so you invite a mandatory site visit for any company that's interested; that's standard throughout the country where all the people who want to bid on the project would come out, there'd be a person to give them a tour, questions and if the questions can't be answered at that time then it'll be done in writing to all firms and then they'll be a date to come back. Mr. Wright: The most important date would be when to have fiscal presentation and then we'll back into the date at that point. President Halbig: One thing we don't want to do is to rush this thing through and get everything done so quickly that... Just in case someone else is going to take this thing over, you don't want a lame duck manager for six months, so we're going to have to be pretty careful as to how we schedule this thing. I don't know. I thought the end of March would be a good starting point, but then later on back in the document, I think on Page 25, we've got the whole program laid out. I guess we could add the dates in there. Mr. Wright: Let's take the final date and then back into the other date. President Halbig: Okay. Mr. Wonderling: Just to add to that; depending on the budgetary process for your next fiscal year, obviously we've invested interest and we'd love to continue the relationship with Sun 'n Lake, but in the circumstance that we hypothetically we weren't selected, I think it'd be best that you knew who was coming in when you're going through that budget process for the following year. That's just something to consider as you're backing into the date. President Halbig: Yes, when we did this initially, we weren't in this situation. Mr. Wonderling: Just from experience from when we took over, just from the issues we had that first year with budgets that were already done, just to be fair to whoever was selected to be included in that process probably makes the most sense for the board and the community.

President Halbig: In that this paragraph on Page 3, for an additional 5 year term plus renewals, not several renewals, there was only 1 renewal; that's splitting hairs, but it's something I picked up.

President Halbig: Page 4. Supervisor Miller: The third paragraph on Page 4 discusses the food and beverage, the subcontracting situation. I notice in this, that's in there to provide

more flexibility to a proposer, is that correct? Mr. Wright: I'm sorry, but I was carrying on two conversations here. Supervisor Miller: It's talking about the joint venture lease or other contractual agreement as far as running the food and beverage services. The idea was to provide flexibility to proposers. I notice that there's no language in here that says that any such agreement would have to be approved by the district prior to implementing that. It just says that you're free to do that, but I would hope that the district would have... Mr. Wright: I would think you would work that into the contract. Mr. Wonderling: I would believe so. Supervisor Miller: Your RFP, request for proposal, is so detailed to begin with, so it should include some language that makes it clear to any proposer that whatever they propose is subject... They may take it as a given, but it's still good... John, wouldn't you agree it's still good to have that language in there? Mr. McClure: What I'd like to do is you guys go through it all... It would be good, yes. Then I'm going to look at it again with another eye. As an example, the part that you talked about Kitson's renewal and the prior contract, I'm going to be recommending we take that out; that sentence adds nothing to the RFP. It signals we like Kitson and we're happy with Kitson and I don't think that's an appropriate thing to put in the RFP. It needs to be neutral. There'll be some changes I will recommend after we get this thing done. I can tell you that. President Halbig: Let me ask you another question, John. Since Billy Casper is going to be a responder, we're asking Ron to answer all these questions, are we on thin ice here? Mr. McClure: Until I walked in the room this morning, I had no idea Mr. Wonderling was involved with preparing the RFP. I am unhappy with that to be very upfront with you because I don't think it's appropriate. There is some case law, I can tell you now, that when one group prepares an RFP and tailors it to what they provide, that's grounds for challenge. President Halbig: He's got a wealth of information, I know, and I don't want to put him on the spot and I don't want to put us on the spot, so I don't know. I think maybe we need to go through it. Mr. Wright: That's why we're here today. I had to take an initial stab at it. I'll be honest with you, I haven't done one of these in over 20 years and I wanted some input from an existing provider. Mr. Wonderling: One option, there are other cities in the State of Florida that you could probably pull up and get the RFP that another city has as a point of reference.

Supervisor McCullough: I notice in that third paragraph you took the district out of the food function. Is there a reason for that? Mr. Wright: I didn't think we wanted to be in the food business. Supervisor McCullough: I'm just asking why you said that specifically. Mr.

Wright: Because it's such an interrelationship with the golf management and the restaurant. We felt like the food function should have a responsible party as we do today that manages food. Supervisor McCullough: Maybe we like the staff we have and if Billy Casper is no longer a part of it, maybe we hire the staff we have. I'm not saying we should or shouldn't, I was just questioning why you said that or made a statement to that versus just not saying anything. Mr. Wright: I'll be honest with you, I don't have any expertise in the food business and generally because of the relationship between the restaurant and the golf management, I thought the restaurant should be part of this RFP, but it's up to you. President Halbig: I agree. There is somewhere in here in the document where it says something about maintaining or giving the current employees the option to continue working. This is a pretty busy document. There are a lot of people that are probably going to look at this and think twice about responding to it because there's so much to do because it's going to take a while to do it. I think it's really pretty good, but it's going to take some time. Mr. Wright: That's why we brought it to you in January; 9 months ahead of time. Supervisor Miller: I guess my concern is...

President Halbig: Excuse me. John, did you answer...? What do you think about us asking Ron these questions? Mr. McClure: I think the less input Kitson has at this point to this, the better we are. President Halbig: I agree. Thank you, Ron. I got you off the hook. Supervisor Hulbert: It's Billy Casper; not Kitson. Mr. McClure: Billy Casper. Sorry.

Supervisor Miller: Are we on Page 5 yet? President Halbig: Okay, we're on Page 5. Are you through? Supervisor McCullough: We already mentioned it, but under the scope of work, we really don't say anything about the pickleball or tennis court maintenance. That section should be added in the scope of work. Supervisor Miller: I agree. I looked for it and I didn't see it in there. On Page 5, under golf course and facility maintenance, I've got the same comment that I had with the previous page and that is we say that the contractor is going to procure everything, materials, labor, tools, equipment, license, etc., but it doesn't say under the district's permission, approval, input or anything like that. They don't go out and just buy this stuff without coming to us and that should be made clear in the proposal. Mr. Wright: As we get back into the budget, they do buy a lot of stuff now that they purchase as part of their budget and as part of their operation. Supervisor Miller: I'm just trying to set a context whereby it's clearly understood about the oversight function of the

district and of the board. Mr. McClure: What if we added “as budgeted and funded by the district”? Supervisor Miller: That would be an excellent addition. That applies to several cases here, John, when you want to review that. I’m done with that.

President Halbig: Page 6. I’ve got one thing that probably ought to include the clubhouse grounds where it says “maintain the clubhouse interior”. We ought to define the clubhouse grounds in that particular paragraph.

Anybody on Page 7? Supervisor Miller: Yes, I’ve got a question. John, this is for you. Under identification insurance, that paragraph, have you read that in detail? My question is, is that satisfactory? Are you happy with that language? Mr. McClure: I’m getting it on both sides as well. I have some notes here and I will tell you... I don’t know what you have in front of you, but I was given a certain amount and I thought that was way too much insurance to carry. Mike told me that’s already been reduced, so that’s good. The indemnification language, yes, I did go through that and I was happy with the way it’s drafted. Supervisor Miller: That gives us the necessary protection? Mr. McClure: Yes. Supervisor Miller: In your opinion? Mr. McClure: In my opinion. Supervisor Miller: Alright. That’s what I wanted to know.

President Halbig: Page 8 anybody?

Page 9? Mr. McClure: Before we go further, and I apologize, but on Page 7 let’s go back to that. One thing I would like for us to consider is the liquor license issue. It says that the district believes the successful proposer must obtain a Florida liquor license. I apologize. I have the old copy. Never mind! Mr. Wright: We’re keeping it under the district’s name. Mr. McClure: That’s where it needs to be, in the district’s name; that’s exactly right.

President Halbig: Okay. Page 9. This is where we’re talking about employees. Down in the paragraph where it says, “At the expense of the district...” should that be like that? Mr. Wright: What paragraph? President Halbig: In the last paragraph on Page 9. Mr. Wright: What we’re saying is we want the provider to be responsible for all the payroll taxes, but the district is going to fund it, which we do through the budget process. If we need to clean up the language, we will. Supervisor Miller: I think that’s what Dave is talking about. The

language is not correct or not transparent or whatever. Mr. Wright: Okay. I'll do that; I'll work with John on that. President Halbig: At the expense of the district through the budget process or whatever.

Page 10. I've got a question on Agreement Terms. It's talking about a five year minimum. In a lot of cases, they go year to year; I know we go year to year with our attorney and we go year to year with some others. I don't know what's normal. Mr. Wright: I chose five because you chose five the first time. President Halbig: That's good, but... Supervisor McCullough: I would think the management company would have a hard time coming in here for a one year contract. President Halbig: Yes, but a lot of them sign up, the way I understand it, and they just have a renewal date year to year because you've always got the 90 day opt out. I didn't see anything in that... That'll have to be by the terms of the agreement. Mr. McClure: One thing you could do is if you set it up on an annual basis with a renewal year to year subject to your budgeting, etc. that's really the key. If you elect not to budget for it then it terminates, but you're going to have to keep those golf courses going, as we both know. The issue with the five year contract, as I understood it, was to entice somebody to be willing to bid to come in with the major change it's going to take to come... President Halbig: I just thought that might be something because I know there are a lot of them on a year to year, but I agree. I'd rather have it five year myself. Mr. Wright: Those contracts were people who were here locally and you probably replaced them with other local people like the engineer for example. A management company, especially with a non-compete clause, would have to relocate folks in here. President Halbig: Okay. Supervisor McCullough: There will be a clause for poor performance we could break the contract. Mr. Wright: No, I was thinking of something to work into the contract that you have now as part of the negotiating with the successful proposer. I think you have to have something like that. We have some similar language in there now. Supervisor McCullough: Okay. Supervisor Miller: Are we still on 10? Mr. Wright: We do have a list of lease agreements, but it's basically copiers or printers and I think it's under \$1,000 a month. I'll have to get you that exact list. Supervisor Miller: You've got eight slots. Is that what we've got essentially? Mr. Wright: No, it's three or four. I just didn't get the list in time to add it to the RFP in time to get it out to you. It's basically office equipment on a short term basis. Mr. McClure: I'm going to recommend, too, when we go through this that we just say to include an exhibit

blank, whatever the exhibit is, so that way you don't have to change the text of the contract so much; you could just change the exhibit.

President Halbig: Page 11. Supervisor Miller: I've got the same comment on Page 11 on the Utilities and Equipment that I did regarding the previous oversight and function of the district. John, you might take a note on that.

President Halbig: Page 12. We've got some milestone dates on that, too. Mr. Wright: Again, let's back into those dates. President Halbig: Okay. Are you going to be the contact, Mike? That's blank, too. Mr. Wright: I thought I'd be the contact person just for elimination purposes. President Halbig: Okay.

Page 13 anybody?

Page 14 anybody? Supervisor McCullough: The only thing I noticed is, Mike, you don't have your email address in there. I don't know if that's important or not.

President Halbig: Page 15? Mr. Wright: Let's talk about 15. Start from number seven on minimum qualifications. I want to make sure you're comfortable with that. What we're saying is we want you to have experience with at least three residential type golf courses and at least one government owned golf course. Do you want more or less? That's going to start narrowing people down. President Halbig: Go through that again, Mike, I was... Mr. Wright: We're saying that we want you to have an employment history with a minimum of maintaining three residential community golf courses and at least one government type owned golf course because there's a difference between an equity club and a government club. Supervisor Miller: I'm comfortable with that language. I'm one out of five. Mr. Wright: There aren't as many government owned golf clubs as there are private and other. In this county, there are 2 out of 11. We're also asking for a minimum of five years golf course and golf food and beverage operations. That's going to rule out companies... You may have a situation where someone might have so much experience with Company A, someone else has experience with Company B and now we are incorporated as a new Company C. What we're looking for is an existing company that's been around at least five years. That's the intent of that language. Supervisor Miller: On the renewal, I'm going back

to Dave's comments about the multiple five year renewals, did we take a position on that where we're renewing for five years and then looking at it? Is it multiple five years or...?

Mr. McClure: The concern I have with the multiple five year thing is there is a lot of law out there that says by this constant renewal things without it ever expiring and requiring a bid is too cozy. That's one way to say it. A single contract term for five years with another renewal for a five year term would be acceptable, but multiple five year renewals is likely not acceptable. While you can go with annual renewals subject to your budgetary renewals, that's one way to do it, but again I think we discussed it that just to induce somebody to come in here, nobody is going to bid to show after one year we don't like them so they're out.

Supervisor Miller: Private is good. I was just worrying about this. What you're saying is we probably should have one renewal. Supervisor McCullough: One renewal. Mr. McClure:

The other thing I would suggest we do is when you start talking about a minimum of five years experience, three residential, one governmental, etc., I would want to make sure that we have a number of firms that would fall within that qualifying category. The reason I say that is if it turns out only Billy Casper has such experience, you know where that's going to be headed. Mr. Wright: We know there are several. Mr. McClure: Okay. Mr. Wright: What it does rule out, John, to be very honest with you, are the small firms that are relatively new in the business. Mr. McClure: As Mike pointed out, we could get 40 applications for this if we don't have some basic threshold requirement. I would agree that with the quality of our golf courses and the money we've put into them and building up the reputation, we want to make sure they are well maintained by a reputable company and this helps weed out the lower bottom feeders I guess.

President Halbig: Okay, what page are we on? Supervisor McCullough: 16. President Halbig: Anything on 16? Mr. Wright: Here's the beginning of what we're looking for. This is where it gets serious. President Halbig: I don't have anything on 16, but I do on 17.

Again, it's in regard to the individual where it says proposer and individual. I don't see how an individual could answer this unless somebody has got another reason why that's in there.

Supervisor Miller: My problem starts on Page 20. Mr. Wright: I don't know if there is an individual out there that has a firm that's a sole proprietorship where he's managed golf courses. I just don't know if there's one out there. I suspect most of them are corporations.

President Halbig: Yes, I would think so.

On 18 I'd like something added; maybe a second bullet item where you see "list all golf courses or manage by the responder within the last five years". I would like to see a listing of any golf course contracts that were lost or not renewed in the last five years with the names of contact people for reference just in case a committee or someone might want to contact those people to see what the problem might have been and why they didn't renew a contract. Would that be applicable? What do you think? Supervisor Miller: Being in the business for a number of years, I would really wince at that requirement. I don't know if we can ask that. Can we, John? Mr. McClure: I don't see why we couldn't ask it. That's like asking somebody if they've ever been arrested or anything else. Mr. Wright: I don't think we have to ask for references from those companies; just tell us whose contract and we can take it from there. President Halbig: That'd be fine. Does anybody have a problem with putting that in there? Mr. McClure: Understand, too, there are a lot of reasons why contracts could be terminated that aren't necessarily negative to the company. Supervisor Hulbert: Maybe we should put something in there regarding any contracts that have been lost and if they have any input they would like to add because of that loss. Mr. McClure: Sure, you can include explanatory comments. Supervisor Hulbert: Maybe the course just closed because of business or whatever. They maybe didn't lose the contract for a business reason, but because of no business. Mr. Wright: And there are golf courses closing all over the country.

President Halbig: Anything on Page 19?

Page 20? Supervisor Miller: Yes, I have a problem with the section on clubhouse and banquet services. I think the language in that paragraph is pretty awkward particularly the last two sentences: "Dedicated individual within its organization with food and beverage experience and similar restaurant operations." Then it has, "Prefers an individual or firm with buying alliances that ensure quality in the lowest possible pricing." That's pretty vague. If we're looking for somebody with certain credentials and certain context then we should probably spell out what we expect. Mr. Wright: We could delete it. Supervisor Miller: Is that covered earlier? Mr. Wright: It basically says you will describe the structure for the clubhouse on sapping levels, etc. It basically says how you're going to run the restaurant. Supervisor Miller: You might put something in there about qualified or some sort of experience that makes it clear as to what we're looking for in terms of running that part of the operation. I just think this language is awkward. Mr. Wright: Okay. President Halbig: You

could just eliminate that last sentence. Wouldn't that work? Supervisor Miller: It'd work as long as we get a proposal from each firm that puts forward that type of guy that we're looking for to run that. Mr. Wright: And key personnel as well. Supervisor Miller: Alright.

President Halbig: Page 21? It'd be nice to add in the marketing plan to increase the membership. I guess that's all part of it, but it doesn't define it.

Page 22? Supervisor McCullough: The only thing I found on 22 was under General Business Statement; the last sentence. It says, "Agreement not too own or operate any other daily fee of golf operation." I'm just wondering why you need to say daily fee instead of any other golf operation period. Mr. Wright: That's fine. President Halbig: Good point.

Page 23? Supervisor Miller: Yes, I have a real problem with item 15. I think, to say it gently, it's overreaching in terms of what we're asking these people to propose. Also, I think it really points toward what John was talking about giving sort of an advantage to one particular bidder. I don't know how you could ask people if they haven't been involved with Sun 'n Lake how to prepare all of these figures and so forth. I'm very uncomfortable with that. Mr. Wright: Part of our thinking there was they would come in, look at prior years, look at current operations, try to say what they think they can do in the next five years, what they think our capital improvements should be, what they think our staffing level should be and build from that. That was our thinking in putting that in there. Supervisor Miller: You spelled it out to such a point that I think it's overreaching, Mike. I would ask for a more general statement and anticipated returns, if you want to call it that. I don't see that... That turns it into a pretty expensive proposal on the part of any bidder. Mr. Wright: Okay. I'm not arguing, I'm just trying to make sure I understand. Part of my thinking was what we want to avoid is somebody who will come in here and say they can do this, but they need another \$500,000. I want to know that upfront as opposed to finding it after that fact. I want them to give me an idea of what they think it'll take to run the golf course. That was the purpose of that, but I could generalize it a little bit if you'd like. Supervisor Miller: You're asking for cash flow, gross revenues from each business unit, anticipated, operating, general, and administrating expenses and amount of reserved income the district would realize and benefit. We don't even get that now. (Laughter) Mr. Wright: I could generalize that for you. Supervisor Miller: I know what you're getting at. You're trying to get an idea of these

people in terms of how they see our operation, but I think there's a better way of phrasing that without having five different bidders poke through your books for five or six years. Mr. Wright: I got your comment. I'll see if I can't generalize that better for you. President Halbig: Maybe we could just take the word "detailed" out. If we take that out... I think when we got the proposal from the current management group, they did have... I can't remember how many years they went out. I still have the proposal book, but... Mr. Wright: Maybe three is enough. Maybe three is more realistic. President Halbig: What do you think, Dick? Supervisor Miller: I'm just not comfortable with that. Do we hold these people accountable if they're off by 50%? We don't, so what's the value of that? What we're trying to do is to get their best thinking regarding our operation. Mr. McClure: The only comment I have regarding that is it's all subject to your budget. You could say we're not doing that. This is all you're getting, so figure out a way to get it done within this amount. There are built in protections that you have. I think there are ways Michael and I could get together and reword that to better your satisfaction, but I just want to point out again that was my whole reason for going back earlier saying subject to our budget. We have the oversight here. Mr. Wright: There's no question there, but I would want to know, I think, upfront if John Doe Golf Management Company says they can't do this unless they get a half million a year. Supervisor Miller: I don't think you'll get that out of this particular paragraph; the way it's worded. Mr. Wright: It's overreaching a little bit, but that's the intent. I don't want any surprises. Supervisor Miller: See what you could do with that because, to me, if I was somebody coming in from the cold, boy, that would hit me like a ton of bricks. I wouldn't go through all of that. Supervisor McCullough: What's the purpose of the bid security deposit? Mr. Wright: To make sure they're serious. We could take that out. Supervisor McCullough: I'm just asking.

President Halbig: Page 24? Got another milestone or two or three to fill in there. Mr. Wright: Almost there. Supervisor McCullough: Your email is missing there, too, if you plan on adding that. Mr. Wright: Right.

President Halbig: Page 25? This is where we're going to start putting together some... There's one line item on tentative timeline. There has to be a board selection between the selecting committee recommendations and negotiating an agreement. Mr. Wright: Do you want a committee is the first question or do you want to be the committee? Supervisor

Miller: We really can't be the committee, can we, with regards to Sunshine? Mr. Wright: Sure you can. Supervisor Miller: That was my question on Page 26. It says interview panel to conduct interviews. I'm curious what you have in mind. Mr. Wright: That will be a Sunshine committee as well because they're going to be making a recommendation to you if you have a committee. Supervisor Miller: The way we've done it in the past, haven't we had basically staff with a board rep on there? President Halbig: We put together a committee based upon the general manager's recommendation at that time and that committee went through all the trips to visit the other golf courses and came back with a recommendation as to who that committee would like the board to select to run the golf management group. There were a lot of discussions as to whether or not it was a... It wasn't a Sunshine committee necessarily; it was just a committee. We've got a committee now, which is our golf committee and I would think rather than put together another committee, let that golf committee do the leg work and visit the golf courses. Once we get some responders, we could have them go out and visit these golf courses and talk to some of the people and talk to management and come back with a recommendation whether or not we take that recommendation to hear or not is up to us. I would like to see that committee do that work. Mr. Wright: We could go several different ways. I can tell you from prior experience, I did an RFP one time years ago where we literally visited other developments in the United States. We were in New York, we were in Washington and we looked at comfortable size developments. I don't anticipate that happening here, but I am anticipating you'll have three or four folks that you'll want to look at and they'll have Florida operations hopefully that you may want to go and visit somewhere. I'm just anticipating that. What you could do, depending on how many proposals you get, you could use the committee to narrow it down to three and make recommendations to you and then you give the final presentation. Part of my thinking was whoever is coming in here whether it's A, B and C, they would actually make their formal presentations in front of you and then you guys will decide who you want as opposed to a committee recommending one, but it's up to you; any way you want to do it. Mr. McClure: What he is suggesting is my strongest recommendation to the board, which is have your golf committee weed out the top three proposers and then present them to you and then each have a setup of meeting where they come and present to you and then you make the selection. That's what all the other public bodies are recommending. Supervisor Hulbert: I'll go along with that. President Halbig: That makes sense. Mr. Wright: If you only get three then you could probably skip the...

Supervisor White: I think we still send them out though. Mr. Wright: Okay, you want them to do the site visits for you? Supervisor Miller: I don't have a problem even if there's only two if we get input from the golf committee. Supervisor White: They can tell us a lot more by being there than what we can with a written proposal. Mr. Wright: That's fine. I didn't know if you wanted, as the board... I've had other elected bodies that they wanted to go see it. President Halbig: I wouldn't mind doing that either. Supervisor McCullough: I would personally want to see it myself. President Halbig: Could we do that as a board or do we have to do it individually on the board? Mr. Wright: Site visits you're going to have to treat it as a meeting. Mr. McClure: You have to give notice to the public and you have to take minutes. The public needs to be forwarded the opportunity to attend. If you did individual site visits and then came back and discussed what you observed at an open meeting, that's fine; no issue with that. Supervisor McCullough: Okay. Supervisor Miller: Does that include the Bahamas? (Laughter) Mr. McClure: That's as much money, I guess, as you want to spend. I don't know. (Laughter) President Halbig: I think that's what we need to do; let the golf committee do the leg work and come back with a recommendation. If a board member wants to go on his own and do a visit to talk to people... When we went out before, we talked to people out mowing grass, working in the restaurant, working in the kitchen and everything. We got a flavor for the operation and that's worth a lot. Supervisor McCullough: Are you saying a board member has to go on his own or he can go with the golf committee when they go? Mr. McClure: Remember, the golf committee, again, is a Sunshine committee, so even if they do a site visit, that has to be advertised, they have to take minutes of what they did and everything else. I don't know how much travel is involved here, but frankly I was unaware that we had all these travel things when the prior committee was selected, but whatever. The Sunshine Law just must be adhered to; that's the only requirement. Supervisor McCullough: My question is if I have to go by myself? Mr. McClure: As a board member, if you went with the selection committee and it was advertised that the selection committee was going and your name was amongst those who was attending then I think that would be okay. I just want you to understand this very clearly, you all are elected board members and you are subject to the Sunshine Law. Anything that you discuss that's not a matter of public record, in my opinion, is dangerous territory. By that I mean litigation against you; criminal action against you. If it was me, I would not dream of doing that and I'll tell you why. There's law that says you... Let's say you lean back and have an off the record discussion with Supervisor Halbig about something,

that is not allowed either. Any comments that you have regarding the matter under consideration by the board between two board members must be on the record. There is a great opportunity for saying something that might be inappropriate that can come back to haunt you. If it was me and I was a board member, I wouldn't think of doing anything but an individual site visit and coming back and reporting. That's my strongest recommendation to you, sir. Supervisor McCullough: Thank you. President Halbig: Thanks for clearing that up, John. Mr. McClure: Yes, sir.

Mr. Wright: Okay, so the golf committee will screen the proposals. Do you want them to rank them or just give you the top three? Supervisor Hulbert: Top three. Supervisor McCullough: Top three. President Halbig: Top three I think. Mr. Wright: Top three? That's fine. President Halbig: Do we still have to input this board selection bullet? Mr. Wright: Yes. I want to hear the proposals and then we'll start backing into dates. End of April or first of May? President Halbig: I've got some dates. The RFP, whenever that goes out, I don't know, sometime in February, here's what I've got. I've got pre-bid meeting on March 3rd, proposals to the district March 31st, interviews if necessary April 25th, selection committee recommendations May 23rd and board selection June 13th then you do the negotiation of the agreement. That's what I've got down. Mr. Wright: June 13th is when you want to make the selection and then we could back up? President Halbig: June 13th is a... May 23rd is a meeting date and June 13th is a meeting date. Mr. Wright: It's your call. Why don't we do June 13th as when you make the decision? Supervisor McCullough: On what? Mr. Wright: A, B or C. President Halbig: Board selection June 13th. Supervisor McCullough: So we run four months with lame duck then, right? President Halbig: No, we have to negotiate an agreement between June 13th and whenever we sign the agreement actually, but you're right. If it's someone else chosen, that's the situation. Mr. Wright: It'll take you a month to negotiate a contract. If you go with a different company, it'll take them a month or two to... They're going to have to hire people and do some transitional things as well. It also gives the existing people an opportunity to do something else if they're not selected. There's a reason for the extra time. Supervisor McCullough: Okay.

Supervisor Miller: I have a general question. What about the financial part of this? Do we have a cost involved? Are we asking for a cost? What are we...? What you have is of course the administrative and management aspects, but what about the money side? Mr.

Wright: That's kind of why I wanted a pro forma was for them to tell us what they think it would cost plus you build in any other specific cost that they want at that particular time.

Supervisor Miller: Is that why you think you're asking for what they say it's going to cost?

Mr. Wright: We could probably work on language, but what I want to come out with is I want them to tell us what they think it's going to cost to run this place; what we have to pay them and what the budget would be.

Supervisor Miller: You ought to ask that in those terms. There ought to be some kind of criteria so they understand how much is related to financial and how much is related to operation and administration. That's the way it's normally done with proposals of this nature.

Mr. McClure: The waiting you would give to the finances and the waiting you would give to the other, so in other words...

Supervisor Miller: You've got qualified staff, you've got operations, you've got administration and then you've got your financial element. We have to decide how important in terms of making a final decision is their financial proposal. Pro forma, we don't really ask them for that; we just say do all these things, but you answered your own question, Mike, when you said we need them to tell us what they think it's going to cost us for that five year period.

Mr. Wright: I'll work on that.

Supervisor Miller: That's what I'm getting at.

Mr. Wright: That's fine.

Mr. McClure: One thing that should be included in this, which typically is included, is a ranking spreadsheet of how we're going to rank these people in those categories.

Supervisor Miller: There is a whole selection process in our files covering consultants. I know because I helped with that years ago and it's there; all the steps.

Mr. Wright: Are you looking at a certain percentage of expertise, sir?

Supervisor Miller: Yes, it's broken down as to what they want.

President Halbig: One of the most important numbers in this whole thing is how much it's going to cost per hole to maintain the golf course; that's a number that jumped out at us so much; this is what we're spending today and this is what it's going to cost tomorrow to maintain per hole; that tells almost the whole story right there. I think we've seen before from our current management team, they have a listing of 10 or 15 golf courses and this is what it costs to maintain, as an example, a Tuscany reserve versus Sun 'n Lake versus somebody else. That's a big number because that's where really most of the cost is. I don't know if there's any way to get to that. Maybe we do that when we ask for the final proposal because it's not defined in this document, but that's a very important number in my opinion.

Mr. Wright: I'll see if we can't work it back in with the language. Why don't I do this? Why don't I take the June 13th date and fill in the

perspective dates for all the other criteria and add the one for board selection and everything else works around that? President Halbig: Okay.

Supervisor Miller: I have a couple of other things. One alternative would be of course to make a selection based purely on the qualifications and experience and personnel of the proposer and then start to negotiate financially with that one and if it doesn't work then you go to two and three. That's been done that way before. Mr. Wright: That's the way you do architects and engineers now under CCNA. Supervisor Miller: These are still consultants. Mr. Wright: Yes, but you can... That's how the process is set up for architectural engineers. I would think for this you would want to know the financials ahead of time. Supervisor Miller: Of course, we in this RFP, we have not set any targets that we'd like to see either, have we? Mr. Wright: No, you haven't. Supervisor Miller: Like what Dave was alluding to in terms of cost per hole and so forth. We haven't given them any targets; we just said go ahead and tell us what you think. Mr. Wright: Yes, sir, that was done deliberately to see what the responses would be. (Laughter) That's where you're going to find out if a guy comes in here and says... Like I said, I want to know up front if they're going to charge you a half million a year. President Halbig: Yes because the management fee is just a drop in the bucket. The monthly management fee is a drop in a bucket to this whole thing; it's just a drop in the bucket; that's not the important issue when it comes to this. It's how much it's going to cost to maintain these golf courses and maintain them at the level we want to maintain them. It's tough. Supervisor Miller: We can set perimeters for that; we can set targets in this RFP. It doesn't have to be really tight or anything like that, but I go back to cost per hole. Is that a given standard? President Halbig: I think it's a pretty easy number to get to. Supervisor Miller: Ron, do you measure anything in terms of different courses and different competitors? Do you ever talk about...? I remember a few years ago we talked about the difference between Deer and Turtle because of the acreage, but are there any kind of industry wide perimeters, standards or evaluation from that standpoint? Mr. Wonderling: Each company probably does it a little differently. Kitson and Partners did cost per hole. President Halbig said it best. A course in Naples compared to a course in Orlando compared to a course in Sebring are maintained at different levels. I think maybe coming up with some specifications of a baseline of where you want to see the golf course. Let's say the site visit is in March and maybe it's pictures, we want full coverage on all the greens and anything less than full coverage we need a written explanation. We've done cost per hole. I'm not 100%

sure how Billy Casper Golf does their submittals of RFP's, but you could put it in there and at least it gives you an idea of where you fall in the mix of... Mr. Wright: But you don't factor in other things like the million dollars of the restaurant management; that wouldn't be included as cost per hole or anything like that. Mr. Wonderling: No, no, it would be just the maintenance department. President Halbig: You just roll up all your maintenance cost, labor and everything associated with that and then once you get to that number you divide it by 36 and this is what it is. Mr. Wonderling: Not to speak too much, but the key is you want to make sure your property continues to elevate over the years. Anyone can come in and say they can run it for x, but the question is if it's going to meet your expectations or the expectations of the community and the members. To me, that would probably be the most important part of that RFP where you feel most comfortable with whoever is selected. Mr. McClure: Could I ask one other thing, too, to the board then? What I'm hearing is Naples has one level, Orlando has one level and Sebring has one level. Have we done anything to define the level that we're asking them to meet? I'm clueless about that, but it would seem to me that's very important because if you're asking for a cost per hole submission, you need to know what you're bidding on. Are we going to roll the greens twice a day or what are we going to do? I'm not trying to make it too difficult, but at the same time, if that's the direction we're heading, don't they have to have some target that they're going to meet, too? President Halbig: Yes, but we can't define all that. We just have to say... When they come in there and look at it, they know what we got and they know pretty much what it's going to take to do that. You can't define how many times they're going to mow the fairways and how high to mow the fairways and how much you're going to do with the rough and all this; it's just too difficult to do. It was so easy when... We knew how much it was costing us originally to maintain every hole on this golf course because we knew what all of our costs were. When we chose the other company, I don't know what the savings were, but it was a lot of money per hole. A lot of it was labor cost that you're probably not going to see this time because all those were district employees and then they went to work for somebody else; a lot of it was labor. I don't know how we define it other than how we define it in a manner in which... We could get that number now; a benchmark number. Mr. McClure: An equal or higher level to which is currently being maintained. President Halbig: Right. Mr. McClure: How about something like that? President Halbig: Right.

Supervisor McCullough: I just have a clarification question on 31. You've got golf carts listed at \$72,500 and then on Page 32 you've got golf carts listed as \$300,000; I don't know what that means. Mr. Wright: That's the value of the carts. The lease was \$72,000 a year, but this is basically a fixed asset lease. It's talking about the value... Supervisor McCullough: So the fact the lease is over, we own them for \$300,000 roughly. Is that what you're saying? Mr. Wright. Ms. Cannady: It's the value we have on our record. I'm not saying that's what the value of the carts are today, but there is no more lease; we do own the carts. Supervisor McCullough: Right. Okay.

Supervisor Miller: Another question of clarification. One Page 28 you listed a number of taxes that are paid. Do we pay that or do they pay that? Mr. Wright: We currently pay it. Supervisor Miller: We pay it? Mr. Wright: Yes, sir, but we could go either way. You can keep it the way we're doing it or you could put it in to the cost of the golf operation. You're going to pay it one way or the other. We just want the perspective... Supervisor Miller: I prefer it this way, I just didn't know from what I saw who was paying it. I think you might want to make sure that they understand that it's not part of the contract. Mr. Wright: Part of what we're trying to say is, and this is where you need to make a decision, you have to pay the taxes because that's part of the true cost of running a golf course. We currently pay it on behalf of the golf course. The majority of the property taxes we pay are golf related. President Halbig: Let's keep it the same as we're doing today to keep from getting a confusing... Mr. Wright: We're going to take it out of the RFP. The district is responsible for taxes and not the proposal. Supervisor Miller: What about the utilities and the clubhouse; that type of thing? Mr. Wright: They currently pay it. Supervisor Miller: They pay that? Okay. Keep it the same. I just wanted to make sure we were clear on that. Mr. Wright: That's fine. You're going to see this again.

President Halbig: Does anybody else have any other questions on any of the other information? Supervisor Hulbert: I'm sure we'll have some more question. President Halbig: Pardon? Supervisor Hulbert: Once it's been gone over and we get it back, I'm sure we'll have some more questions.

6. Add-on Items

7. Petitions and Communications

8. Staff Reports

- a. Security Report**
- b. Code Enforcement Report**

Supervisor Miller: I have a couple of questions in that area again. Neither officer is here, but on the code enforcement, we've got just a ton of stuff on Myrtle Beach that we haven't seen before. Is there any particular reason for that? We have 15 violations, but only 4... Mr. Wright: Those are basically the Hornick lots that he sees mowing, so he goes in front of the code board. Supervisor Miller: Okay, so that's really the 15? Mr. Wright: There may be another one stuck in there, but that's primarily it. You've got seven of them and four have been mowed. As of this morning, there are seven going to the code board next week. Supervisor Miller: I just wondered because everything else looks pretty good except for that.

On security, just a general statement, I had asked that the golf course patrol, and this is trivial, but now we have instead of one patrol, we have zero for golf course. I asked that we included daily down for that. Mr. Wright: I'll ask Mr. Hurley to do that. They do patrol it daily because they lock the bathrooms. Supervisor Miller: I thought we had established that last time.

There are a couple of spots on security where we had some incidents and we didn't have any resolution reported. One is that employee that blew out two tires on Whisper Circle. Mr. Wright: Yes, sir. I will have an update on that in the near future. There was no resolution; security just said it occurred and I took it from there; they had no other involvement beyond this reporting. Supervisor Miller: Okay. I was simply suggesting that where we have a situation where, and we do in some cases, but where we have a resolution, we should certainly report how that was... Mr. Wright: It's an ongoing resolution from that particular accident. Supervisor Miller: I understand that, but there are other situations here that say so and so were contacted. In some cases, Mike, he lets us know what happened and in other cases he doesn't.

9. General Counsel Report – John McClure

I'm pleased to report to you all that we have finally recorded our conservation easement and that matter is very near to an end. That's very good news as far as I'm concerned because we've gone so many times back and forth with DEP and getting this just right and that just right, but we've made them happy and I think we're at the end of that.

The other thing I'll report to you, actually two things, one is a potential new litigation against the district, which I believe you all have been made aware of. That's as a result of the tragic death of the young Doty boy. The family is apparently seeking to allege that the district had inadequate security in place and we should have done better, etc. I would expect they're also going to sue the Highlands County Sheriff Department instead they mistakenly named the City of Sebring, which has no jurisdiction whatsoever in the district telling me that not much due diligence is involved here. They're likely trolling for some sort of an insurance settlement. We'll see what happens.

Next is the Ayala matter; that's the Severino litigation. I believe you've also been notified that the hearing schedule for January 30th on the motion to dismiss file by our insurance carrier has been postponed by the plaintiff based on a conflict with another case that they had in Miami that was rescheduled... The trial was rescheduled for the same date this hearing was scheduled. I do not yet have a new hearing date. I will get it to you as soon as I receive this motion to dismiss because I'm sure that everybody is very interested in that. As soon as I get some confirmation when it's been rescheduled, I'll let you know. That's all I have.

Supervisor Miller: The Doty situation, I think, Mike, in one of your status reports you mention that's the same family that we held a charity tournament for? Mr. Wright: Yes, they've done that tournament a couple of years; the Doty Tournament. Mr. Wonderling: (Inaudible) Supervisor Miller: What happens at that charity tournament? Do proceeds go to them or what? Mr. Wonderling: (Inaudible) Supervisor Miller: Why is the Doty family name involved? Mr. Wonderling: They are the ones that hold the tournament. Supervisor Miller: Oh, okay. I was just trying to understand that. Mr. Wonderling: They are not scheduled for 2014 yet. Mr. Wright: The only point I made is if we even want to work with somebody who is suing us. President Halbig: That's a good point. Supervisor Miller: That's a good point. President Halbig: I wouldn't want them to build up their bank account so that they could use the money to pay their legal fees. I would say as long as we're in this litigation, as far as I'm concerned, they can go somewhere else and have their tournament. That's my point. I don't want to be... It's a terrible thing that happened, but for them to try and blame the lack of security on us is I don't know. Mr. McClure: I would say rather than rush to judgment about the tournament though, it sounded like the tournament was conducted before the death even. Mr. Wright: No. It was held like two months ago, wasn't it? Mr. McClure: Over several years. Mr. Wonderling: It's been over the years, but then they had it twice since the tragic incident here. Mr. McClure: If the beneficiary is

actually Toys for Tots Foundation and the family doesn't benefit at all from this, I'm just saying you need to know more facts before we jump to... Mr. Wright: I'll work with the golf management group on that. Supervisor McCullough: Why don't we wait until they request a tournament date and then we'll deal with it? Mr. McClure: That's true, too. Mr. Wright: They may not want to come here if they sue us. That's what I'm hoping anyway. Mr. McClure: That's all I have, sir.

10. General Manager Report – Michael Wright

I'll be brief since I've covered a number of things already. As of this morning or as of last night we had 123 members at our golf and racquet operation. There are 53 residents, 46 nonresidents and 24 golf members. We've got just a few dollars short of \$6,000 in revenue today. The grand opening is the 30th at 10:00 am. Mark your calendars! President Halbig: It sounds like we may be not charging enough we got so many.

Supervisor McCullough: With the golf membership, why wouldn't everybody be included in the number because that's part of our membership? Mr. Wright: They are; they just have to come get a card. Some golfers may not play tennis or pickleball. Supervisor McCullough: The only reason I'm bringing it up is because has the golf membership been notified that they need to do this? Mr. Ford: (Inaudible) Supervisor McCullough: I don't remember getting it. That's the only reason I brought it up. Did you get it? Did anybody get one? No. Nobody got it; 5 out of 5. Mr. Ford: (Inaudible) Supervisor McCullough: Okay, thanks.

Supervisor Miller: Mike, on that issue, not that issue, but on the tennis courts. We got, you said, almost \$6,000 in for revenues. If I understand you and Greg correctly, the shelters that we have that I asked to be upgraded and we had talked about upgrading, we don't have a budget for that yet do we? Mr. Wright: No, we do not. Supervisor Miller: Can we apply those fees to that project? Mr. Wright: Yes. Let me work with them. There's also a furniture issue we want to... We didn't budget enough for furniture either, so if you're willing to take the revenue that we're getting from this and apply it toward the club this year, I could certainly bring you the budget amendments. Supervisor Miller: That might be a good target to use for that because it's beginning to look pretty nice over there. Mr. Wright: We'll work on that for the next meeting.

I want to talk about a couple of things that security has been doing that wasn't included in the report. They've been very quietly working with the Sheriff's office and dealing with some of the illegal

dumping. I can tell you just through Mr. Hurley's perseverance we had once violator who has gone out and cleaned up his debris. We have another deputy that we're working with who happens to live out here and we're putting some extra effort into catching the illegal violators. I don't want to go into a lot of detail on that other than to tell you that we're putting in some extra effort in that regard. Supervisor McCullough: Are they commercial violators or individuals? Mr. Wright: He was a landscaper who carried some stuff off from an individual's house. We went to the individual's house and said it was his stuff and they essentially said their landscaper did that and he was supposed to take it to so and so. Then we went to the landscaper and said if he didn't clean it up then we were going to fire and brimstone on him. I don't remember who it was. It wasn't anybody I knew. Supervisor McCullough: I don't need a name. I was just curious who was doing it. Mr. Wright: That's a real short version of what happened. President Halbig: Was there any validity to the statement that the gentleman made that it was district employees who were dumping? Mr. Wright: We have been stockpiling some materials for years west of Cortez on some land that we own. We're readdressing that now. We're trying to find another spot to put it, but our thoughts were we could stockpile it there and then we could burn it or shred it in the future. We just don't have a lot of places to put that stuff. Greg and I talked about it after the last meeting, we just haven't had a chance to look at some alternatives for you yet. Supervisor Miller: That area that Mr. Lumpkin talked about was posted as "No Dumping", but he said there's a lot of dumping there. Are we going in to clean it out or what? Mr. Wright: I'm going to make sure that we're talking about the same thing. To be honest with you, I just haven't had a chance for him and me to get an hour or two to go out there and deal with it. We've been dealing with some other issues internally. I'll have you an updated report in the very near future; probably next week.

Last but not least, I believe this past Monday security got a call that there was a lady that wandered off from over in Unit 16. She had been gone for about an hour and a half before we got called. It was an 80 year old woman who apparently had some dementia issues. Security went out and the golf people helped us and we found her about an hour later and returned her home. These are the kind of things they go over and beyond that you never quite hear about, but we did find the lady and returned her back to the family. She spoke no English, so it wasn't the easiest thing in the world to deal with. That's all I have for now.

Supervisor Miller: I have one question. Commissioner Handley kind of threw a curve ball out last time as far as our ranking and trying to get this EMS center. What are we going to do about that? Mr.

Wright: I hope to be meeting with Ms. Fisher in the very near future; we haven't got a date set yet. I'll

give you something more definitive at that time. They don't know yet exactly what they're doing as I understand it. They're trying to get the prices to fit within their budget. Supervisor Miller: We keep sliding down the pole on that one. Mr. Wright: I'll try to get you some more definitive information on that.

President Halbig: Where do you get all these things like "sliding down the pole"? Where do you get...? Do you have a book at home or do you just pick one up and...? (Laughter) Supervisor Miller: I can see Commissioner Handley just going down in his seat when he said that. (Laughter)

11. Unfinished Business

12. New Business

13. Committee Reports

14. Public Comments

15. Discussion to/from Board

Supervisor McCullough: I've got one question or actually three questions. We got the tennis project going on and we have the mulching of Turtle Run and we have clearing of the brush of the scrub jay habitat. I'd like to know how the labor involved in those three projects is getting billed to what project and who is paying the tab. Mr. Wright: We budgeted for hand clearing. Supervisor McCullough: What's that? Mr. Wright: The district general fund budgeted for the hand clearing and that money has come out of there. The mulching is handled by the golf operation and they're doing that. What was your third question? Supervisor McCullough: The landscaping and stuff of the tennis courts. Mr. Wright: We bought materials and golf helped us put it in. Supervisor McCullough: I'm not sure why the golf course would pay for the labor of the landscaping if that was part of the original project. Mr. Wright: We didn't include landscaping in the original project, so we added it after...; within house services; it was not part of what we bid for the contractor to do. We felt like it was something we could do in house for a few thousand bucks that would enhance the beautification project. Supervisor McCullough: I guess project wise, we never budget for that though. That just kind of gets lost someplace. Mr. Wright: We didn't include landscaping in this particular case and it was something I think we decided it would be really beneficial to the project after the... Supervisor McCullough: I'm not questioning, I'm just questioning the dollars and when we say we're going to do a project for \$200,000 and it ends up we add another \$50,000 and now I find out we'll probably spend another \$10,000, so now we go from \$200,000 to \$260,000, but we just don't seem to care I guess. Mr. Wright: No, it was just something we felt like it should be done. Supervisor McCullough: I'm not questioning

that. I'm just questioning why it wasn't done when we did the proposal in the beginning. Mr. Wright: We didn't include landscaping; we just didn't do it. Supervisor McCullough: Okay. Thank you.

Supervisor Miller: Mike, I just want to reiterate what I said at the landowner's meeting and with all due reference to Chairman Diotte's kind remarks about everybody being happy. I'm dead serious about this landowner situation because when I came to Sun 'n Lake that was an important part of our process and it should be treated as such, but the last two years have been an afterthought and to me that's just plain unacceptable. Mr. Wright: The next landowner's election is in three years from now. Supervisor Miller: It doesn't matter! It doesn't matter! We should treat that as a major event. Mr. Wright: Mr. Miller, with all due respect, my experience over the years has been if there aren't a lot of problems, people don't turn out. Supervisor Miller: That's good, but they ought to have the chance of everybody knowing that this is a landowner's meeting, but as far as I know, nobody knew except for a select few of us on this. Supervisor Hulbert: That should have gone out with our water bills or something showing that there's an upcoming landowner's meeting because the water bill goes to everybody. Supervisor Miller: In that respect... Mr. Wright: Actually it doesn't. It goes to about 3,600 of 12,000 lots. Supervisor Hulbert: Okay, but what I'm getting at is those are the people that are going to show up here; the ones who get the water bills. Supervisor Miller: I'd also like to thank Gene for his service on the board and perhaps just as importantly your contributions when we were going through all this and trying to get things turned around here. I remember you commented earlier before you changed status that we had full houses and it was an important event. I think that should be the case. Gene, thank you for not only your time on the board, but also the efforts that you and Pat put into getting things moving a little bit better here. President Halbig: You could probably write a book of what happened in the last six or seven years and it would be a best seller maybe; I don't know. Again, as Dick said, thank you very much!

I've got a question. I don't want to throw a wrench in the drainage project that you guys are working on in the Maronda Home area, but somebody asked me the other day and I explained it as best I could as what we were going to try to do with the water retention areas and how we're going to divert that water. Somebody said that as close as the water retention ponds are on #5 and #6 hole, is there any way to get that water away from that surface water and help the level of those lakes rather than doing it the way we were initially working on doing it now? Does that make any sense at all because the proximity geographically is pretty close and you're going to pump it anyway? Mr. Wright: What's the goal? Do you want to use the water for irrigation or do you want to make the water deeper? President Halbig:

Yes, especially in times like this when the water level starts going down, which is going down now. It doesn't make any sense to help the water levels in those retention ponds by not doing it exactly the way we're working on, but maybe change it somewhat. I think it's on I'm pretty sure. Mr. Griffin: Functionally speaking we could certainly pump it back up to the golf course; that's sort of the top of the water shed per se, so we'd be cycling water. Speaking from a hydro period across an annualized basis, the period in which we have the water problems at Tarrega. We also have very high water levels on the golf course. We would spend a lot of time cycling and I'm not saying it wouldn't work, but the likelihood of it functioning versus sending water downstream is unlikely. The other thing you'd want to look into is the cost of basically putting the pipe in should you decide to pump in that direction. We have no conflicts where we're going to be pumping. We're looking at roughly a quarter mile of pipe to pump from the bottom of that base and back up. I'd expect it to be greater than a half mile because it's actually quite a distance. You've got several conflicts in the way; roads and actually a couple of conservation easements. President Halbig: That's the way I explained it to the individual. I said we don't need the water when we're trying to get rid of it over there because we've got plenty of water. Mr. Griffin: Unfortunately it's a problem that's driven largely by the water table and if you look at the hydro period across the scope of a year when the water is high at the golf course, that's when the water is also high in Tarrega. Right now we don't have a problem in Tarrega because the water table is so low. President Halbig: I'm surprised the level of the water is holding up pretty good right now; it seems to be. I guess cutting it out the way we did it, it's holding it better than it did before I think. Okay, you answered my question. Mr. Griffin: Thank you.

Mr. Diotte: Just a matter of information, for people who don't know, the Homeowner's Association on Deer Run let out two contracts yesterday to put lights to illuminate the palm trees on Wood and Irons. We're going to put lights on every second tree, which we think would look very nice. It's a project started by Larry and Curt and we finally got bids and got the thing underway. There will be some work going on there very shortly.

President Halbig: Any other board discussion?

16. Adjournment – 11:51 a.m.

Date signed: Feb. 28, 2014

David Halbig
David Halbig, President

Julixa Robinson
Transcribed by Julixa Robinson, Board Secretary