

**SUN ‘N LAKE OF SEBRING IMPROVEMENT DISTRICT
BOARD OF SUPERVISORS REGULAR MEETING
Friday, January 22, 2016**

MINUTES

The Regular Meeting of the Board of Supervisors of Sun ‘n Lake of Sebring Improvement District was held Friday, January 22, 2016, at the Community Center, 3500 Edgewater Drive, Sebring, Florida 33872.

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

SUPERVISORS PRESENT:

Mr. Richard Miller, Vice President
Mr. Richard Hulbert
Mr. David Halbig
Mr. Larry White
Mr. Michael Gilpin

The General Manager, Tanya Cannady; Board Secretary, Allison Lee; Community Service Director, Tenille Smith; Jim Kurtzeborn and David Bell with Billy Casper Golf and District Attorney, David Schumacher were present. There were approximately 47 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 12, 2016 at the Community Center, 3500 Edgewater Drive, Sebring, Florida at 9:00 A.M.
 - b. Please silence or turn off cell phones.

4. CONSENT AGENDA

Minutes of the January 8, 2016 meeting of the Board of Supervisors.

Supervisor Hulbert moved to approve the Consent Agenda and Supervisor Halbig provided the second. Supervisor Miller opened the floor for discussion and with none asked for public discussion on the motion. With no comment the motion was returned to the Board for a vote.

Roll call: Supervisor Hulbert – Y; Supervisor Halbig – Y; Supervisor White – Y; Supervisor Miller – Y

With a vote of 4-0 the consent agenda was approved.

Supervisor Halbig moved to recess the meeting and Supervisor Hulbert provided the second.

With no objection the motion was approved by general consent.

The meeting was recessed at 9:01 a.m. to allow for the Annual Landowners Meeting.

The meeting was reconvened at 9:51 a.m.

Supervisor Miller stated that he did not get a time frame from Ms. Cannady during her annual report for the signage project and asked what that was. Ms. Cannady stated that Don Bell Signs was here on Tuesday, January 12th to install the sign at the clubhouse but were unable to due to the high water table and have submitted permit changes to Highlands County who has not approved the permit change yet. She has no hard dates on the installation yet to which Supervisor Miller questioned if the installation would take place within a month and Ms. Cannady affirmed that it would.

5. ACTION AGENDA

a. Election of Officers to the Board.

1. President – Supervisor Halbig nominated Supervisor Miller and Supervisor White seconded the nomination. There were no other nominations made and a vote was taken.

Roll Call: Supervisor Gilpin – Y; Supervisor Hulbert – Y; Supervisor Halbig – Y; Supervisor White – Y; Supervisor Miller – Y

With a vote of 5-0 Supervisor Miller was elected.

2. Vice President – Supervisor Halbig nominated Supervisor White and Supervisor Gilpin seconded the nomination. Supervisor White nominated Supervisor Halbig and Supervisor Halbig declined because his term is expiring during this year. There were no other nominations made and a vote was taken.

Roll Call: Supervisor Hulbert – Y; Supervisor Halbig – Y; Supervisor White – Y; Supervisor Gilpin – Y; President Miller – Y

With a vote of 5-0 Supervisor White was elected.

3. Treasurer – President Miller stated that normally the Treasurer is the Director of Finance but since that position is vacant Ms. Cannady will be the Treasurer in the interim. Ms. Cannady was elected as Treasurer by acclamation.
 4. Secretary – President Miller stated that a new Board Secretary, Christian Hardman, has been offered the job and will be assuming her duties on February 1st so that is who they would nominate with Ms. Lee acting as the Board Secretary until she assumes her duties. Ms. Hardman was elected as Secretary by acclamation.
- b. Resolution No. 2016-01/22-06 – A resolution of the Sun ‘n Lake of Sebring Improvement District to approve the initiation of the 2016 Sun ‘n Lake Homebuyer Membership Program.
- Supervisor Halbig moved to approve the resolution and Supervisor Hulbert provided the second. Mr. Kurtzeborn stated that he would like the Board to approve the request for the free, one year membership with the purchase of a home or condo in the District. He feels that this is one of their major marketing initiatives to attract buyers. President Miller stated that he was not sure that they have a handle on the dates and questioned when the date of membership starts to which Mr. Kurtzeborn answered that the date of membership begins when the owner turns on the water and they will monitor when that year expires. Supervisor Halbig stated that the application states a family membership but there is a disparity between a family and single trail fee and he feels the application should have a place to draw that distinction. Mr. Kurtzeborn stated that the application would be updated with that suggestion. Supervisor Halbig stated that if it is a member owned cart there needs to be proof of insurance and a liability disclaimer needs to be executed at the time of application and added that does not appear to be happening with the five month memberships. Ms. Cannady stated that these residents will still be required to fill out an application for membership in addition to the application that was provided to the Board. President Miller asked for any additional Board comments and with none called for public comment.
- Marty Winslow** – He pointed out that this program will be giving up \$4200 and asked if it would be better to provide the owner with 20 rounds of golf with the real

estate company giving them another 20 rounds of golf. President Miller stated that a thorough analysis had been performed on this and they feel that this is a powerful marketing tool to drive new residents to the District and get them immersed in the golf program. Supervisor Hulbert stated that this program is marketing tool to drive new residents to the District and provides realtors an incentive for recommending Sun 'n Lake. Supervisor Halbig clarified that a trail fee is still required with this program, only the membership is free.

Joe Reidy – He questioned if this was only for someone that had not been here before and used the example of purchasing a different house to which President Miller stated that this was first time homebuyers that have never been golf members before and that is stated in the application.

Gene Gangemi – He questioned why the resolution does not specify a Sun 'n Lake golf club member, as the way it is worded just refers to a blanket golf club member. Mr. Schumacher stated that the wording could be added to the resolution although he does not believe it is technically necessary.

Pat Holmes – He questioned what would happen if a person visiting the District purchased a three month membership and then decided to move here. Supervisor Halbig stated that if he had a membership then he would not be eligible for this program.

With no further public comment the motion was brought back to the Board. President Miller questioned if there was a time frame established for testing the program to which Mr. Kurtzeborn answered that they will be looking for feedback from the realtors and seeing if this motivates homebuyers to come to the District. He stated that this program will be added to their marketing literature and that it will get prospective buyers attention. President Miller questioned if they needed to amend the motion to which Mr. Schumacher answered that it would not need to be amended. Supervisor Hulbert questioned if they really wanted to exclude someone who had visited the District and then decided to purchase to which Supervisor Halbig answered that they would only be excluded from this program if they were a member. President Miller reminded Mr. Kurtzeborn that once the motion is passed they would expect all Billy Casper staff to adhere to it.

Roll Call: Supervisor White – Y; Supervisor Gilpin – Y; Supervisor Hulbert – Y;
Supervisor Halbig – Y; President Miller – Y

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

- c. Discussion five month golf membership – Supervisor White stated that this was originally set up to be a five month membership starting in December for five consecutive months and a three month membership started in January and went for three consecutive months. The Board discovered recently that Billy Casper was using flexible dates for the five month membership and this practice had been going on for over a year. There are 41 five month memberships and beginning dates vary from November, December and January with no consistent dates for starting at the first of the month. He originally thought this was a bad idea but in researching and talking with people he now feels that a flexible membership is the way to go and what he recommends. The economy has changed since the first of the year with a decline in the market and a poor exchange rate for Canadians resulting in a change in many winter visitors financial situation and the goal should always be to keep as many members as possible. He feels that in order to keep as many members as possible at the golf club the five month membership will need to be on a sliding scale with a flexible start date. President Miller asked why Supervisor White included the average price per round in his letter to which Supervisor White answered that it demonstrates the amount of money coming in with a three or five month membership does not change, regardless of when it starts. Supervisor Halbig stated that this is a waste of time for the Board but because an organization circumvented the set policy they are forced to deal with this problem now instead of during the budget process. He feels that if the decision was made by Casper he has lost faith in the organization but if it was done by individuals they need a letter of reprimand in their personnel files. He feels that a five month membership is a good idea but does not feel that the dates should be flexible as 23 of the 41 five month members, or 56%, were full members at one point. He does not have a preference for a November or December start date but stated that the date should be fixed and needs to be adhered to and also feels that there needs to be a different color sticker for member golf carts because all of the seasonal

membership stickers state that they expire in April but many of those memberships are actually over in March. Right now it is \$400 cheaper to buy two single memberships instead of a family membership and both of the golfers get a cart so when looking at the numbers it's easy to see why full members who only come for five or six months would defect to this package and he thinks that the full membership numbers will suffer if the program becomes more flexible than what it is. President Miller stated that he is out on medical and his wife has a five month membership and questioned if he can take an individual five month membership when he returns or will it revert to family membership when he returns. Mr. Kurtzeborn stated that all five month memberships are single memberships, there are no family memberships. President Miller stated that he is very concerned that Casper Golf has used their own interpretation of this membership and that staff has made their own decisions without any consideration for the resolution that was passed by the Board and questioned who on staff makes membership decisions to which Mr. Kurtzeborn stated that he does. Mr. Kurtzeborn acknowledged that Casper had overstepped their bounds and should have come back to the Board for a modification of the resolution but he was operating in a manner that was consistent with what the club did last year. President Miller pointed out that there were no problems like this last year to which Mr. Kurtzeborn countered that there were no problems because the Board was not aware of them but membership was handled in the same way last year as it was this year. President Miller stated that whatever the ultimate decision of the Board was on this matter should not be deviated from and if there was deviation that there would be consequences. Mr. Kurtzeborn stated that he does not want any deviation and that is not the way he manages and his ultimate goal is to have all of the processes and policies on the website by this summer so that everyone can see how the club operates. President Miller stated that all of the terms of the contract between Casper and the District need to be followed and referenced a personnel deviation earlier in the year. Supervisor Halbig stated that this situation with membership may have happened last year but not to the degree that it has this year and he is sorry that Mr. Kurtzeborn is having to face the firing squad for a situation that he did not create but inherited. He stated that he spoke with David Ford last year and was assured that

this situation would not happen again this year and he spoke to Mr. Kurtzeborn about it who made it seem like isolated cases which didn't match the actual data for these memberships. Supervisor Gilpin stated he felt that there should be a flexible program but in talking with people he finds it very unfair that it was offered to some and not others as everyone should be treated the same. President Miller called for public comment on the matter.

Diane Reidy – She stated that she has been here since 2002 as a full member and she doesn't feel policy should be put into place to cater to Canadians, even though she is one. She was not offered a flexible membership but if she was it would be to her advantage as she would save on insurance and both she and her husband would get a cart. The package that she was offered through the mail stated the membership was from December to April and she was never offered the opportunity for membership in any other months. She also suggested analyzing how many full members will become five month members if this is offered on a sliding scale.

Marty Winslow – He stated that the memberships are not balanced. A full member has to get a golf cart and if it breaks down the member has to pay \$5 to rent a cart whereas the five and three month members get a free golf cart at no expense, even though full members pay more. He does not feel that three or five month memberships should receive a cart; they should be charged a seat fee which would encourage them to become full members. He also stated that for accounting purposes the memberships should begin on the 1st or 15th of the month. President Miller questioned if two spouses could separately sign up for three or five month memberships to which Mr. Kurtzeborn answered that there is no family membership for three or five months, they are all individual memberships. President Miller stated that he thought that five month memberships were only available if one member played but if a spouse played it needed to be a full membership. Supervisor Halbig stated that issue had been discussed and it was resolved that a couple could buy two individual memberships. Supervisor Halbig questioned if they should poll the audience for a recommendation and reiterated that he would like to see the five month membership stay but he wants it to have fixed dates and the three month membership only to begin in January. Mr. Kurtzeborn stated that a decision could be rendered

today but it won't have an impact until next year's budget meeting. President Miller stated he was in favor of a more flexible program because it could help with marketing the club. Mr. Kurtzeborn stated that Casper has the same fiscal goals as the District and this decision was made to help grow the membership. President Miller voiced his discomfort with the ability of spouses taking out two separate memberships and realizing an automatic savings as it was not the purpose. Supervisor White stated that they needed to go through all of the moving parts of this issue and make a recommendation as he could easily see why it could be alleged that the membership is not balanced and there is more than just one issue that needs to be addressed. Supervisor Halbig stated that with the current pricing it is cheaper to buy three one month memberships than buying a three month membership.

Dick Diotte – He stated that he has been a full member for 28 years and acknowledged that the five month membership suited him well. He encouraged the Board to gather more information and not make any concrete decisions today but stated that a five month membership should not have a concrete date of the 1st or the 15th but rather five full calendar months.

President Miller suggested forming a committee with a representative from the MGA, WGA, Billy Casper, the golf committee and chaired by one of the supervisors to address the multiple issues that have arisen. The committee would then present a report to the Board and submit their suggestions and it was decided that Supervisor White would chair the committee with the understanding that it was a standing committee and subject to Sunshine Laws.

Mark Camp – He pointed out that the majority of the Canadians that spoke about the issue today were not in favor of a sliding scale but would rather have a full membership for their family. He feels that managing memberships starting on a random date as opposed to a firm date would be virtually impossible as people are playing without firm tee times and starting in shotguns with no one checking stickers. He also feels that these one, three and five month memberships were adopted to create new members but in actuality they have reduced revenue by creating a decrease in full memberships. Supervisor Halbig stated that 23 of the 41 five month memberships were former full members.

Bill Jackson – He stated that he wished the Board his best for trying to work these sorts of issues out.

Al Ridley – He stated that he was a member last year and when he came into the clubhouse he was denied the opportunity to join in the middle of January until the middle of April which cost the club \$3,000. He feels that it is necessary to start memberships beyond the first of the month because not everyone is here on the 1st and by denying his membership you have also lost out on his money spent in the clubhouse. President Miller stated that he felt that this situation highlighted the inconsistencies in the whole process and vowed to get it addressed.

Rusty Carino – He stated that you can't fault full members for defecting to a five month membership if they get the same benefits for cheaper. He suggested establishing blackout dates so that they don't receive the same benefits as a full member and enticing them to become full members.

President Miller stated that he would coordinate with Ms. Cannady an appropriate and comprehensive representation for the newly established committee to be chaired by Supervisor White.

- d. Labor Law Attorney Proposal Discussion – President Miller stated that there are three firms who have submitted proposals and asked Mr. Schumacher to begin the discussion. Mr. Schumacher stated that all three firms are very well qualified with some disparity amongst them regarding the hourly rate with Constangy, Brooks and Smith being the most expensive at \$375/hour, Brian Koji is the cheapest at \$230/hour and Mr. Schneider is the middle of the road at \$275/hour. All the attorneys are Labor Law certified and the District has used Mr. Koji in the past but he is also employed by our insurance carrier so if there is an issue with insurance there would likely be a conflict. He stated that he has no recommendation between the firms as they all are qualified for the job. President Miller stated that he had devoted a great deal of time going through client references from each of the firms and will share what he has learned. Starting with the most expensive firm, Constangy, their references unanimously stated that the firm has a lot of resources, are very high powered and

their clients found them to be extremely responsive and willing to delegate when the situation arises. Three things that struck him about this firm was their resources, that they were highly aggressive in their representation and their clients always felt that the firm had their best interests at heart. He then moved onto the firm of Weiss, who is out of Ft. Lauderdale, and talked with three of their references and found that this firm is litigators as well as labor attorneys. Their clients felt that they were efficient, responsive to situations and seem to be a very solid group that come in about \$100/hr below Constangy. The last firm was our current labor law group of Allen, Norton and Blue out of Tampa which has left the District less than satisfied with some of the results. He spoke with a representative from our current insurance carrier, Public Risk Management, who also uses this firm and she gave the firm a glowing recommendation but President Miller pointed out that if they use this firm and we have an insurance issue we will not be able to use them in the issue. The other references were happy with their representation and felt that although Mr. Koji was not an aggressive mediator he was also a litigator. He contacted Julian DeLeon with the City of Avon Park who stated that Mr. Koji had done a good job of protecting the city and looking out for their best interests. President Miller stated that there seemed to be a sliding scale on rates with Allen and Weiss being fairly comparable and Constangy being higher but qualified that with their references feeling that the billing was very efficient. Supervisor Halbig stated that he has had closer interface with Brian Koji than anyone on the Board and he feels that the District needs a different labor law counsel. He stated that Mr. Koji was not familiar with District policy in instances that he should have been and suggested that Ms. Cannady and Mr. Schumacher interview the other two firms for their recommendation. President Miller stated that he feels that whatever firm is chosen needs to litigate as well offering advice and mediation services and added that he would like to be part of the selection process. He asked Mr. Schumacher if he thought it would be a problem to interview the other two firms to which Mr. Schumacher asked if it would be a phone interview. President Miller stated that he wouldn't be comfortable with that and would like a face to face to which Mr. Schumacher cautioned him that these attorney's might charge for their travel and/or time but he would reach out to them

and find out. Supervisor Halbig stated that the District needed to talk to the individual who would be representing the District and he feels it is worth a shot to try and set this up.

- e. Ponce de Leon Boulevard Sidewalk Discussion – President Miller stated that he was going to have Diane Andrus come to the podium as she had been deeply involved in this project and her input is valued. Ms. Cannady stated that at the last Board meeting the Board advised her to bring back cost estimates for the Ponce de Leon sidewalk project. The District is proposing a 5 foot wide, concrete sidewalk from Nadena Drive with an approximate cost of \$117,000 to take the sidewalk all the way to Adrian Street. The attached map shows three phases that are a possibility with the first being Nadena to Savona Drive, with an estimated cost of \$72,000; from Savona South to Romano Street would be an additional \$31,000 and the completion phase up to Adrian Street would be another \$13,000. For this project the District will apply for a 50% reimbursement from the Highlands County Recreation & Parks Advisory Committee. This is a safety hazard and continues to cause concern for residents, as evidenced by the petition we received. The decision for the Board to make is how far to take the sidewalk and which side of the road it will be on. President Miller questioned where the District was proposing to cross Ponce de Leon to which Ms. Cannady stated that there are two options with one being at Savona South and the other being at Romano Street. President Miller questioned if we could cross at the southern boundary of the old Hornick model home at Savona South. Diane Andrus thought that crossing at the end of tee box 7, where the Preserve sign is would avoid going across a private home owner's property. President Miller stated that crossing over at the southern boundary of the old Hornick property would avoid any conflicts. President Miller asked Commissioner Handley if the District could count on his support with the county to which Mr. Handley affirmed that he would help in any way he could. Supervisor Gilpin voiced his support for crossing over where Ms. Andrus had suggested and Supervisor White voiced his support for that as well. President Miller stated that in spite of the speed bumps along the road it still sees quite a few speeders and we need to make sure that drivers are aware of the cross

walk, wherever it is placed. Ms. Cannady stated that she wanted to look into a crosswalk in that area and investigate whether it is safe to put a crosswalk outside of an intersection. President Miller called for public comment on the discussion.

Tom Kosty – Mr. Kosty questioned if anyone had looked into the issue of golf cart traffic on a 5 foot sidewalk due to the requirements for paths where there is a combination of foot and golf traffic being 8 feet. President Miller stated that the sidewalk could restrict golf carts because the existing sidewalk is no more than 3 feet wide. Mr. Kosty questioned if signs would be posted prohibiting golf carts on the sidewalk to which President Miller answered that would be his preference.

President Miller questioned if Mr. Howerton estimated the \$117,000 figure to which Ms. Cannady affirmed that he did. Supervisor Halbig stated that he estimated \$96,000 at the last meeting and the figure has increased from the first discussion. President Miller asked if Mr. Hurley had an alternative to that as he had suggested it could be done for a much lower cost to which Mr. Hurley stated that his original estimates were not in line with the proposed plan and that was the reason for the cost disparity. President Miller questioned if the funds for this project would come from reserves to which Ms. Cannady stated that she would recommend using reserves from the General Fund. The project will be put out to bid and it will come back to the Board with a bid award and budget amendment. President Miller questioned if there was a line item where funds could be taken from to which Ms. Cannady stated that is something that she would look into.

6. Add-on items – None

7. Petitions and Communications – None

8. Staff Reports

- a. Community Services – Ms. Smith updated the Board on her joint marketing efforts with Mr. Kurtzeborn which now includes local billboards at Olive Garden and she is trying to negotiate contracts for a few other billboards within the county. President Miller requested that the marketing billboards include more vibrant colors to catch the eye to which Ms. Smith stated that she has articulated his wishes to the graphic

designer and it is something that she is mindful of when the designs are being proofed but she will continue to work on bringing more vibrant colors to the sign. President Miller asked if the Board would be given an opportunity to review the sign before it goes up to which Ms. Smith stated that she generally does not send out the billboards for approval but she can do that going forward if that is something that the Board would like. President Miller stated that he would wait and see what the new sign looks like. Ms. Smith stated that she has recently begun partnering more with the TDC in marketing efforts for golf courses throughout the county and she is also utilizing Facebook marketing and Google Ads, which is a new approach for the District. The District has taken another ad out in the Midwest Golf magazine with the first ad scheduled to be printed in a couple of weeks with the added verbiage of the home buyer's golf membership program. Our feature article for this magazine will be published during the summer and she is working with Mr. Kurtzeborn on the content for that article. Supervisor Halbig and Supervisor White both gave her an article on an alternative marketing avenue that she is now looking into and will report back on when she has some more information. Ms. Smith stated that the security cameras have been installed and are now up and running with great quality which she is very pleased with. President Miller stated that he would like a membership report at the next meeting to which Ms. Smith stated that she had prepared those numbers already and would get to them in just a minute. The website is a month out from going live and the District got their initial preview of the site last week to start submitting changes to the site with a comprehensive training scheduled for the last week of January. President Miller questioned if there would be an opportunity for residents to list real estate on the new website like they can on the current one to which Ms. Smith stated that is an option but the program needs to be revised to allow the District to have access to abandoned and expired listings. Ms. Cannady stated that this feature is not built into the new website because there is extra cost associated with it and she does not believe that it is being utilized very much. Ms. Cannady stated that the issue with it is management and it is something that the District will continue to look into. Ms. Smith stated that as of right now there will not be anything for real estate but if this is something that they are going to undertake down the road there has to be a

better system put in place for managing it. President Miller questioned if the District was still working with Ridge Real Estate regarding property availability in the District to which Ms. Smith affirmed that we typically refer them if we receive inquiries. The recent pickleball clinics, taught by two of the club members, were very successful and generated new memberships and 37 people participated. There is an upcoming pickleball tournament scheduled for February 17th and the new resident's reception will take place on February 9th at 6:00 at the Islandview. Recreation memberships show that the District has 331 racquet club members, which is over 30 members more than last year. President Miller questioned when the restroom facility will be started to which Ms. Smith answered that the RFP went out this week and the process has started. The District has 790 pool memberships and is a clear indicator that the pool is being used and those memberships continue to grow every year. The numbers for the fitness club are unavailable right now because the system is down but she will get those numbers out to the Board once she has access to the data. She stated that she is in the final stages of completing the Residents Guides and it is her hope to have them finished and printed in time for the new resident's reception and they will also be available in the District Office to distribute to new residents. The Dash and Dye is scheduled for March 26th using the same 5k route and using the Community Center parking lot for the festival portion.

- b. Golf – Mr. Kurtzeborn stated that his staff addressed the GPS perimeters for golf carts on a number of holes and they also addressed the sprinkler on Deer Run Hole 11 and the curbing on Turtle Run Hole 3 should be addressed by the end of the week. The Latinoamerica PGA qualifier was very successful and with the unfortunate weather that has been experienced it was definitely a very revenue positive event for the club. This coming Monday will be the group leader and new member meeting where the new members are introduced to the group leaders to help get them acclimated to the amenities. They are working with the group leaders to try and get play counts for when they will be coming into the restaurant as that has been a challenge in the past and they are putting in every effort to accommodate everyone. He stated that he will be meeting with Betsy Shepherd next week from Ridge Realty to investigate properties that could be incorporated into a possible stay and play

program. Ridge already has two sales that will qualify for the new golf program when they close. In talking with the management company for Highlands Ridge they stated they are down 20% on their year to date golf and he feels fortunate that the club is only 9% off for golf play. The men's member guest is scheduled to start on March 30th and 31st and would extend into April 1st and 2nd and if the same players who played last year play again there will be five members whose membership expires on March 31st. The MGA's stance is that the gentlemen are members when the event started and feel that would qualify them to participate in the whole tournament but he would like Board direction on this matter. Supervisor Halbig stated that the actual tournament does not start until the 1st and the 2nd and questioned what the options would be to which Mr. Kurtzeborn answered that since they would not be members when they played on Monday and Tuesday the green fee would need to be paid. Supervisor Halbig stated he did not have a problem with that and questioned the couple's championship to which Mr. Kurtzeborn stated that he had spoken to Mr. Umphrees and he had a personal request on that matter. Supervisor Halbig stated that he would need to amend his bylaws on that matter as they are strict on not letting people play that are not members. Mr. Kurtzeborn wanted to address the public comment from Mr. Ridley earlier in the meeting and stated that Mr. Ridley came in 4 or 5 days after the last meeting where the flexible memberships were addressed and the Board instruction was to start the memberships on the 1st of the month and that is why he was told he could not start it in the middle of the month. Supervisor Halbig stated he did not feel that it was ever written that it had to start on the 1st of the month for a 3 month membership. Mr. Kurtzeborn stated that they would try to clearly document the procedures for what the parameters and policies are for each type of membership to ensure uniformity. Supervisor Halbig stated that he felt that as long as a three month membership was taken in the prescribed months the dates should not matter and Supervisor Gilpin agreed with that. Mr. Kurtzeborn stated that in the review for the previous fiscal year it was apparent that David Ford did an excellent job leading the team and the District to an excellent year. There was a 6% revenue increase in golf and a 17% increase in restaurant revenue and they were able to take those revenues and drive them to the bottom line to decrease the loss

from the previous year to a \$55,000 improvement. President Miller asked if this meant there was a \$55,000 decrease in funds transferred from the General Fund to which Mr. Kurtzeborn stated that would be a better question for Ms. Cannady. Ms. Cannady stated that in 2015 the District subsidized the golf club \$171,000, which is a \$243,000 decrease and President Miller stated that was the best that had been in 15 years and was good news. Their initiatives for the coming year include increasing the detail on the golf course based on their goal to increase the demand to live in Sun 'n Lake and become a golf member. They are also concentrating on additional planning for better service to the member groups after golf play, to improve food service order times, to better utilize the space in the clubhouse for members and guests, to market the club and development through a stay and play program, and to advertise and market the free golf membership program. President Miller questioned the major jump in golf expenses general and administrative to which Mr. Kurtzeborn stated that was due to the general manager's salary being moved from golf to general and administrative along with other expenses. The golf department was expanded some with the addition of more staff and that is why the variance seems so large. Supervisor Halbig asked if there was any incentive for Billy Casper for last year to which Ms. Cannady answered that she had not calculated that as the external auditors are going to prepare a compilation report that gives her the number she needs to calculate the incentive.

9. General Counsel Report – Mr. Schumacher stated that not much had happened with either the Doty or Ayala case and he is waiting for the hearings in February to get some idea where these cases are going. President Miller asked if there was any merit to the Doty case at all to which Mr. Schumacher answered that there was not and the District was being represented in the matter by Roper and Roper. President Miller questioned if Roper was involved in both cases to which Mr. Schumacher affirmed that they were. Mr. Schumacher stated that there was one foreclosure that a settlement agreement was completed on and the District received close to \$6,000 to put that to rest. He looked into Lodge Construction and the clubhouse and he has talked with some consultants regarding an extensive inspection and they all want to see the construction documents that went into the construction. Going over the contract it appears that we may not have a recourse because it was done through a AI contract and that contract involves an architect

who is supposed to be overseeing the project and it appears that things were signed off on that would render us without recourse. He stated he is making an effort to get all of the documents collected to review and once compiled will be reviewed and sent off to the inspection company. President Miller asked where the inspection company is based out of to which Mr. Schumacher answered that he believes they are out of Tampa. Supervisor Halbig asked if the foreclosure costs include the attorney fees and administration costs to which Mr. Schumacher answered that all of those fees are included and \$1500 is pretty standard for an uncontested foreclosure.

- 10. General Manager's Report –** Ms. Cannady stated that at the last meeting the Board approved formally amending Section 9-98 of the county ordinance to increase the threshold for competitive bidding requirement from \$10,000 to \$25,000. This amendment is scheduled to be presented to the Board of County Commissioners at their February 2nd Board meeting with David Schumacher in attendance, in case there are any questions. President Miller reiterated the Board's decision to have contracts come before the Board for review before execution and questioned if that was in writing anywhere. Mr. Schumacher stated that he would have to research whether it was in writing but the policy right now is anything over \$10,000 has to come before the Board for approval as per the Purchasing Policy. President Miller stated that the whole Policy Manual needs a complete overhaul and he would like to see the same procedures implemented that were used with the Employee Handbook. Commissioner Handley asked for clarification on the amendment so that he can answer any questions and Ms. Cannady summarized the amendment with the bidding threshold being raised from \$10,000 to \$25,000 but any purchase over \$10,000 still needing to come before the Board for approval. 31 total security cameras have been installed in the recreational facilities and 6 street lights have been installed in the District recently as well. The bids are due on February 9th for the Racquet Club restrooms and storage facilities. Supervisor White questioned what the status was for the traffic median at the Dollar General to which Ms. Cannady stated that Mr. Hurley has met with a contractor but the District is still working on quotes for that.

11. Unfinished Business – None

12. New Business – None

13. Committee Reports – None

14. Public Comment

Patricia Gangemi – She stated that she is looking forward to the new website and suggested placing an expiration date on the real estate postings so that old property didn't sit there and questioned whether that was a possibility. Ms. Smith stated she asked the developers some questions about functionality and they are going to go over it with her in training next week. Ms. Gangemi feels that it is detrimental to the community to not be able to post available real estate in the District. She asked Mr. Schumacher how many foreclosures are in the community to which Mr. Schumacher answered that they are all listed on the foreclosure report but he estimated 50-60. Ms. Gangemi asked that he bring the firm figures on foreclosures at the next meeting.

Bill Norcross – He stated that the golf committee's recommendation on the three and five month memberships was for the club to be rigid with dates and policies to avoid the appearance of improprieties. He noted that this discussion had taken a lot of the Board's time and feels that this decision should be left to Mr. Kurtzeborn or the golf committee. President Miller stated that the responsibility of the Board is to govern the District and when there is a mess like this situation it is up to the Board to remedy it. There is a standing committee dedicated to resolving this problem and they will collect input from a myriad of sources to reach a resolution.

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