

MINUTES OF MEETING
TISON'S LANDING COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tison's Landing Community Development District was held Thursday, July 12, 2018 at 12:00 p.m. at England Thims & Miller, 14775 Old St. Augustine Road, Jacksonville, FL.

Present and constituting a quorum were:

Doug Maier	Chairman
Brandon Kirsch	Vice-Chairman
Brian Richardson	Supervisor
Dan Flourde	Supervisor
Monica Taylor	Supervisor

Also present were:

Dave deNagy	District Manager
Gerald Knight	District Counsel
Scott Lockwood	District Engineer
Brian Stephens	Riverside Management
Christopher Hall	Riverside Management
Amanda Ferguson	Riverside Management
Ernesto Torres	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Torres called the meeting to order at 12:00 p.m.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Wendell France, Downing Creek, asked what exactly is increasing in the budget.

Mr. deNagy responded the increase is \$60 a year. There are two line items that make up for that. There is an increase in capital reserves and in maintenance. We will get into more specifics when we talk about the budget.

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. deNagy stated the affidavit is in your agenda package to bear evidence of the fact that we noticed today's public hearing.

FOURTH ORDER OF BUSINESS**Public Hearing to Adopt the Budget for
Fiscal Year 2019**

Mr. Torres asked for a motion to open the public hearing.

On MOTION by Mr. Maier seconded by Mr. Kirsch with all in favor the Public Hearing is Open.

Mr. deNagy stated there are two budgets we need to consider. The first is the General Fund budget, which is where we are seeing the proposed increase for FY19. Residents, when we met previously in April we approved a proposed budget, and part of that budget was an increase in assessments of \$60 per year. Nothing has changed since that time. The budget includes the O&M budget and debt service budget. The debt service budget is fixed for the life of the bond. One component of your CDD assessment is debt, and that doesn't change for FY19. The other component to your CDD assessment is the General Fund, which is the operating fund of the District. A copy is in your agenda package. You can see the different line items and changes proposed for FY19. Our current operating budget is \$489,762 a year. We are proposing to increase that \$37,702 per year. The current O&M Assessment is \$778.64 per unit. There are 680 units in Yellow Bluff Landing. We are proposing that increase to \$838.58 a year. Once the budget is adopted, which we are doing today, that budget is then sent to Duvall County to the tax collector for collection. The CDD assessment is put on the property tax bill that you get from Duvall County. Either you or your mortgage will pay the property taxes, which includes your CDD assessments. That property tax bill comes out in November. We are increasing O&M, which will increase the portion of the CDD assessment by \$5 per month. There are two line item changes in the operating budget that make up over 75% of the overall increase. One is to Capital, which is an increase in our money we are allocating for Capital from \$40,000 to \$65,600 while we are reducing our capital outlay, which would be capital expenditures over and above the reserve, by just over \$7,000 to \$25,000 a year. The overall increase to Capital is \$18,329. The other line item that is changing for FY19 is Repairs and Maintenance. This is a tricky line to budget for because we typically don't know when things are going to fail. We are projecting expenditures for the end of this year to be a little over \$42,000 on a budget of \$26,000. Some of those items are non-recurring items. We

took them out of our projections for FY19, but we did propose to increase our budget \$10,200 from \$25,800 to \$36,000. That is \$10,200 of the \$37,000 overall increase along with the Capital increase of \$18,000. Other line items seeing increase changes include landscape contingency by \$4,800; special events by \$4,500; a seasonal assistant by \$3,300; and engineer by \$2,500. We have decreases for utilities by \$6,000 and irrigation repairs \$1,400. There are other minor changes totaling \$1,300. The net effect is an increase of \$37,000 in operating expenses for FY19. That produces an increase in O&M assessments of \$60 per year.

Mr. deNagy stated he will open up the meeting to the board for questions and then open it up to the residents for questions.

Mr. Maier stated I would like to ask Brian a question regarding repairs and maintenance. What are you seeing regarding those costs?

Mr. Stephens responded some reoccurring were irrigation pumps. Historically we have had AC issues, most of it is just the age of everything, and everything breaks more frequently.

Mr. Kirsch stated I think I brought it up at the last meeting regarding Operations and Maintenance and cross-referencing the check runs that we did. It just said maintenance and repairs; did we get a detail on that? I requested it last meeting. I just wanted to see what we are writing checks for.

Mr. deNagy responded Brandon, I apologize, I missed that, I will get you that this week.

Ms. Taylor stated I know at the last meeting we talked about the landscape being pretty high. Where are we with that contract? Is that contract with Lawnboy up so we can start looking at other potential vendors?

Mr. Torres stated I think Monica what we did last board was that we appointed two District Supervisors to meet with the landscape, which they did. I will let those two supervisors speak of it or Chris speak of it.

Mr. Hill stated I think we want to abort that until we talk about the renewals, which is also on this agenda.

Ms. Taylor stated we talked about the overall contract where the price was a tad bit too much in my opinion, and we wanted to go around and get additional quotes from other vendors to see if we are getting more bang for our buck. Have we made a move on that?

Mr. deNagy responded I don't think we did yet. I think what we did is we were going sit down with Nader to try and figure out if they could satisfy what needs we had. I think that was the resolution with Naders when you met, I could be wrong – Lawnboy, I'm sorry. I don't know if we are at a stage yet where we have actually gone out and asked for proposals for lawn services. I think we were going to give Lawnboy another chance if everybody felt comfortable with that.

Mr. Richardson asked how are we projecting to bring the water budget down by \$8,500?

Mr. deNagy responded that is based on a projection. You can see for FY18 we have \$31,000, and we are projecting \$20,000. When we looked at those expenses, it really didn't warrant the full \$31,000. We thought \$22,000 was more appropriate.

Mr. Richardson asked Landscaping Contingency, what is the definition of that?

Mr. deNagy responded that is anything outside the scope of the landscape contract itself. It could be additional color, it could be putting a tree in or shrubs or anything like that.

Mr. Richardson asked are we above what we budgeted for this current year that is causing an increase of \$5,000.

Mr. deNagy responded no, we are projecting \$2,000, what we budgeted, for landscape contingency. That line item is very much like Repairs and Maintenance where we have stuff pop up landscape wise. We are proposing to add more money to landscape contingency.

Mr. Richardson asked because there are certain things we are seeing currently that is going to make us want to budget more for it?

Mr. Stephens responded once again we are going by age. That material has a lifespan, and we project having to replace that material or just give things a facelift.

Mr. Plourde asked what about our soccer field? Would that go into repairing? Do we have to repair what we just repaired because it looks like crap.

Mr. Stephens responded it is actually right on line where it should be.

Mr. Plourde asked the soccer field? Have you been out on the soccer field?

Mr. Stephens responded yes, 3 or 4 times a week.

Mr. Plourde stated I was out there, and there are a lot of dead spots. Did they grade that?

Mr. Stephens stated they tilled it, they graded it, they sprayed it. It is Celebration Bermuda grass. They did sprigs, which is basically a short runner. It doesn't have any roots or anything on it. I am sure everybody saw water running once an hour day and night. There is no root on a sprig, so you have to keep it wet. As long as you fertilize and keep it wet, it will fill in and will look very nice.

Mr. Kirsch stated when we were talking online, we were projecting to have that field open for use July, right?

Mr. Stephens responded no. I said best-case scenario may be as early as July. A lot of what you are seeing as dead grass is actually weeds that are dying. When you put down sprigs, you have to water, you have to fertilize, and you have bare areas between plant materials. There is no competition with the weeds, and weeds thrive. The only way around that is to dig everything up and bring in sterile material, which is \$100,000 or more just for that. That wasn't practical. So as we are growing grass, we are also forcing the weeds to grow. As we grow one, we try to kill off the other. Eventually the Bermuda will choke out the weeds. We contracted this with Lawnboy.

Mr. Kirsch stated I think we need to have a couple of more board members meet specifically about the field with them to address the concerns.

Ms. Taylor stated I would like to be a part of that meeting.

Mr. Kirsch stated we will have to meet separately, one at a time.

Mr. deNagy asked if the board had any more questions on the operating budget.

Mr. Kirsch stated I am good with it as is, but provide me the details as requested.

Mr. Plourde stated if it is not spent, it should carry over to next year.

Mr. deNagy responded yes but keep in mind that is cash that is not in your budget.

Mr. Plourde stated but if we budget so much, we should have those controls that we should be able to carry it to the next year.

Mr. deNagy responded it will carry over, and if you ever want to tap that, there is a way to do that in our budget where we do a transfer in funds. Otherwise, your money just starts to accumulate. You are building reserve is what you are doing with that excess, which is a good thing.

Ms. Taylor stated my concern is that we are continuously requesting increases every year for the operating budget, and I would like for us to be able to go line by line, and there are

things that can be cut where we don't have to continuously go to the homeowners and say there is an increase. I am looking at some of these things that I feel like our projected budget could be cut to a certain degree. I personally don't feel confident enough to support a \$60 increase.

Mr. deNagy stated keep in mind that your operating budget, while it is nice to trim it back and have a smaller assessment, you still want to think about the future. We try and build your reserves by building a little more cushion into your operating budget, and that will help if we have emergency situations, say in a hurricane. A lot of our assets are covered under insurance, but there is a hurricane deductible that is pretty hefty. We really need to have some reserves sitting on the side to pay for any damages that may not be covered by insurance. When we do our operating budget, I agree that we should not go for increases every year. We try to set these operating budgets such that they will carry the District for maybe 2 to 3 years without an increase.

Ms. Taylor stated the last increase was last year, and that was for the field. What was the increase per home?

Mr. deNagy responded I can look it up. We did not have an increase last year. It was \$778.64 in FY17, and also the same number in FY18. As the District ages, and this District is 10+ years old, you start seeing things that need to be repaired and replaced. We do see an increase in our operating budget typically as Districts age. It does start to level out because you are not adding new assets. If there are no other board questions, we will open it up to the residents for questions.

Ms. Katrice Strong, Magnolia Grove Way, stated my question concerns lake maintenance. Can anyone tell me what type of maintenance is being done because the lakes look terrible.

Mr. deNagy stated Clearwater I believe is the current vendor we have.

Ms. Strong stated around the entire lakes is dead grass and muck. I don't see a lot of trash, but it is mucky.

Mr. Hill stated they are installing carp, which will help.

Ms. Ayana Wysinger, Dawnwood Ct, stated I actually thought we had an increase last year as well.

Mr. deNagy stated we did have an increase the previous year, FY17, and it was \$53.

Ms. Wysinger when we bought our house five years ago, we were told CDD fees wouldn't increase ever. I know that multiple residents have the same concern. We were told that we would have to pay for the CDD fees only until the entire neighborhood was done, and once it was done we wouldn't have CDD fees anymore. So it is like they told us anything to get us to buy these houses.

Mr. deNagy stated I can address that. I think what has happened, and I see this a lot in all our Districts, when a homebuyer comes in and talks to a builder, they are going to tell you a lot of things about the property. For the CDD assessments, they are going to point to the debt service portion. There are two pieces to the assessment. There is debt, and there is O&M. They are referring to the debt. That shouldn't go up. In fact, it went down. We refinanced the bond a couple years ago and brought the debt assessment down. You have seen a reduction, and that has helped in the overall assessments in the past couple or three years in keeping it more level. That debt service reduction offsets a lot of what you are seeing in the O&M increase. The builder will tell you that the CDD is never going to go up because they are talking about debt service, and that is true to a degree. For the first ten years of the bond issuance, you are not allowed to refinance the bond, but after 10 years, then you can start looking to see if the rates are favorable for a refinance. The District did that and saw a reduction in debt service. We will be able to do that again in another 7 or 8 years.

Ms. Wysinger asked about little league teams using the soccer fields. How much do they pay to use that?

Mr. Plourde stated we stopped that, so they are done.

Ms. Wysinger stated so we don't have to worry about parking on the grass anymore?

Mr. deNagy stated that contract expired the end of February.

Mr. Plourde asked did they ever pay their share that they said they were going to do?

Mr. deNagy responded they did, and I will get into that later in the meeting. They have paid \$2,500. There is an email from Doug Ramsey I received yesterday, and we will talk about that later.

Ms. Wysinger stated concerning CDD fees, I know that many of us in the earlier part of the neighborhood, we knew we would pay CDD fees, but now we are learning people don't pay CDD fees. How is that possible?

Mr. deNagy responded there are a couple of things that could have happened. As a homeowner, you are always able to pay off the debt portion if you want to. I can give you an idea of what that number is. Typically when a new homebuyer comes in, and this was pretty prevalent in the downturn of 2007-2009, the builders were offering incentives where they would either pay off a portion of the CDD debt assessment, or they would pay it all off for a homebuyer. In some cases, the builder actually pre-paid the debt assessments to lower the overall annual CDD assessments. You can do that as well. You will always pay the O&M portion. Everybody pays the same O&M fee.

Mr. Patrick Lawther, Tison's Bluff Rd, stated landscaping maintenance dropped but contingency went up almost \$5,000. I am curious because contingency should be less than general maintenance. As things get older, they break down, so wouldn't that be considered general maintenance and not contingency?

Mr. deNagy responded typically we will put landscape items in there as opposed to just general in any maintenance item. If you look at the budget narrative on Page 6, it gives you a breakdown of landscape maintenance. That does include Lawnboy at \$47,400; Naders did fertilization and so forth for \$12,137; and the contingency is really anything over and above what we have in the contract. Those are contractual amounts.

Mr. William Robinson, Tison's Bluff Road, stated I keep hearing reserve. So how much money do we have in reserve and how big do we want to build reserves to?

Mr. deNagy responded right now, we don't have a formal reserve study completed. That is something we can do within the confines of the budget we have for next year, and I would strongly recommend we do that. Right now, we are just trying to craft a budget so that it keeps you from having assessment increase each year.

Mr. Robinson asked about the maintenance at the pond, and that it looks terrible back where he lives.

Mr. Plourde stated there is a line item for lake maintenance.

Mr. Stephens stated that is for Clearwater to chemically treat the water for algae.

Mr. Hall stated at the last meeting we had, weren't they at the maximum for chemicals? There is an issue with St. John's River that only allows certain amounts of chemicals to be put in through the year, and at that point we can't put in any more.

Mr. deNagy responded to a question asked earlier. Capital Reserves has almost \$200,000.

Mr. Robinson stated we know what the reserve is, how much we want to have in reserves, you already know the allotted amount of houses you got. You know what the maintenance is supposed to be, and I understand that you have things going up. Somebody is not doing something right because reserve and contingency, you are hitting us both ways.

Mr. deNagy responded keep in mind that reserves are specifically for major assets. Typically that is anything \$5,000 or greater. Reserves for your operating budget are for maintenance items that come up unexpectedly. They are two different pots of money.

Mr. Plourde stated as far as how big we want the reserve fund, they have to tell us via a study how much we want to have.

In response to a question, Mr. deNagy stated the amount we have now seems low to me. Eagle Harbor in Clay County has over \$2 million. Mirabella in St. John's County as close to \$300,000 or \$400,000, and they are a similar size. We can do a reserve study, and I recommend that one be done sometime soon.

In response to a question about the size of the District and what makes up the District, Mr. Lockwood showed the audience a map of Tison's Landing, and stated the colored areas are what the District owns. They own all the ponds, the common areas, the Amenity Center, and the power line easement behind you. All the common areas include the parks. They also own the landscaping in the right-of-way and any special signage. You own a fair amount of land. I would say in my estimation your reserve is really low. My report talks about things that I feel need to be replaced over time, and that money would not cover what has to be replaced over time – not today, not next year – but over time will have to be replaced.

Mr. Adam Young, Magnolia Grove Way, out of curiosity, obviously this is a public hearing, and you have 680 homeowners that live in our complex, yet we are holding a meeting at noon in the middle of the weeks 35 minutes away from the complex. For a public hearing, you would assume you want the homeowners here to discuss the problem, yet you make it difficult for anybody to show up.

Mr. deNagy responded let me start by saying our last meeting where we talked about the budget that is approved today, we met at the Amenity Center in April. The board is going to decide on their meeting schedule for the coming year, and we have had two meetings I know

at the Amenity Center specifically to talk about the budget. We didn't have the adoption hearing, the public hearing, at the Amenity Center because we really thought we ironed through all of the issues when we approved the budget. But I understand, you get a letter saying your assessments are going up, and you want to know why and so forth. We can schedule meetings to be at the Amenity Center.

Mr. Young stated this is the first home I have owned, and I am still getting accustomed to owning a home, so as far as the CDD fees are concerned, what is the total budget for the entire year and not just the bond or the O&M. My calculations of \$1,250 a year for 680 homes is almost \$900,000. Now you want to increase it by another \$833?

Mr. deNagy responded no, no, no. It was \$778 and is going to \$839.

Mr. Plourde stated we have had meetings at the clubhouse at 6:00 p.m., and we have less turnout there than we do here.

Mr. Lawther asked about how the water amount dropped.

Mr. deNagy responded we set that FY19 budget based on the FY18 projection. If you look at the project for 2018, it is actually under what we budgeted this year by a sizeable amount, so we reduced the line item.

Ms. Jessica Maneja, Bradford Lake Circle, asked how often do they mulch there in the community. Is it every quarter? Where I am, which is by a park, I got a letter to re-mulch in March, and I can tell you they didn't re-mulch yet.

Mr. Stephens responded typically it is a maximum of annually, however, I will say last year's mulch was the first time in three years that it was mulched.

There were no additional questions.

On MOTION by Mr. Plourde seconded by Mr. Richardson with all in favor the Public Hearing is Closed.

A. Consideration of Resolution 2018-03, Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2019

Mr. Torres stated can I get a motion to adopt the FY2019 Budget, Resolution 2018-03?

On MOTION by Mr. Maier seconded by Mr. Plourde with all in favor Resolution 2018-03 was approved.

B. Consideration of Resolution 2018-04, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2019

Mr. Torres stated can I get a motion for consideration of the Resolution 2018-04 imposing special assessments and certifying an assessment roll?

On MOTION by Mr. Plourde seconded by Mr. Richardson with all in favor Resolution 2018-04 was approved.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the Minutes of April 5, 2018 Meeting

Mr. Torres stated a copy of the minutes is in your agenda package.

On MOTION by Mr. Maier seconded by Mr. Richardson with all in favor the Minutes of the April 5, 2018 meeting were approved.

SIXTH ORDER OF BUSINESS

Acceptance of Minutes of the April 5, 2018 Audit Committee Meeting

On MOTION by Mr. Kirsch seconded by Ms. Taylor with all in favor to accept the minutes of the April 5, 2018 Audit Committee meeting was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of the Fiscal Year 2017 Audit

Mr. deNagy stated we are going to ask the board to motion the acceptance of the FY17 audit. There are a few things I want to read into the record. On Page 2, the opinion of the Auditor states, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of

America.” On Page 26 is the report on internal controls, and in the last paragraph, almost the last sentence, it states, “we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. The report to the board is included on Pages 28 and 29, and here they would note any audit comments. There are no comments. This is a clean audit. We look for a motion to accept the audit for FY17.

On MOTION by Mr. Plourde seconded by Ms. Taylor with all in favor to accept the FY17 audit was approved.

EIGHTH ORDER OF BUSINESS

Ratification of Engagement Letter with Berger, Toombs, Elam, Gaines & Frank for the Fiscal Year 2018 Audit

Mr. Torres stated I need a motion to ratify the Engagement Letter with Berger, Toombs, Elam, Gaines & Frank for the FY18 audit.

On MOTION by Mr. Plourde seconded by Mr. Kirsch with all in favor to ratify engagement letter for FY18 audit for Berger, Toombs, Elam, Gaines & Frank was approved.

NINTH ORDER OF BUSINESS

Consideration of Agreements for Fiscal Year 2019

- A. Crystal Clean**
- B. Clear Waters, Inc.**
- C. Lawnboy / IDLD USA, Inc.**
- D. Riverside Management Services, Inc.**
- E. Naders Pest Raiders**

Mr. Torres stated each of these are for a year extension. The prices for the services have already been adjusted to meet your FY19 budget as well. I will look for one motion to approve all of them or if the supervisors desire, we can go ahead and discuss each.

Mr. Kirsch stated let's go through all of them. Is there a scope of work? I know Lawnboy has presented what they are responsible for. Is there something with Crystal Clean that we can see? Mandy, are the issues with Crystal Clean resolved?

Ms. Ferguson responded they are resolved. After multiple calls between Chris and I back and forth with Crystal Clean, they have gotten rid of the pool guy that was there. They have replaced him, and we have had nothing but great service since. We have had to be on them, and we still are to make sure that they are doing what they need to be doing. Crystal Clean is now on target.

Mr. Plourde asked Ms. Ferguson when they show up, are you present?

Ms. Ferguson responded yes.

Mr. Plourde asked will there always be somebody there when they show up to do their maintenance?

Ms. Ferguson responded yes. They come Monday, Wednesday, and Friday right now. They might stop one or two times a day, and we are always in the office to monitor. I go out and make contact with him to ask about the chlorine and ph. Yesterday they were running a little low on the chlorine in the kid's pool, so we got everyone out of the kid's pool, and they added some. That is going to happen because of how shallow the water is there and the evaporation. They were on it where prior we would have found out and they wouldn't have found out. We are good now.

Mr. Kirsch stated if that was resolved, then I am fine with the company still servicing. When is their contract up?

Mr. Torres responded this would be an extension to September 30, 2019.

Mr. Kirsch stated so we have time before we renew, right? With the status quo renewals that we are doing with all five of them, I still think it is something we should be bidding just for costs. Before we sign any of these things, is there something we can do to see if we are getting competitive rates from other competitors.

Mr. Plourde stated there has to be more than one pool company in Florida. Usually with the government you need three bids anyway.

Mr. deNagy stated what I would suggest is since we don't meet again until we are in FY19 is approve these contracts. We always have a 30-day or 60-day out clause. We can ask staff to come up with proposals from other companies that do pool cleaning or lake maintenance or whatever you want to go out for bid. If we find that we have a contractor who has a better offer, we can always go ahead and stop that contract and go into a new one.

Mr. Plourde stated when I first joined the board, we were having meetings just about every month. Can't we schedule another meeting next month? If we are not sure who we want to hire, can't we send them out to get other bids and have another meeting next month?

Mr. Torres responded we could. We put it on public record – as long as that happens.

Mr. deNagy stated it is not going to affect your budget because we have already adopted the budget.

Mr. Plourde stated who do we want to get? The bottom line is we are going to have these or something better and cheaper.

Mr. Torres stated the budget is a maximum.

Mr. Plourde stated it could go less. We should be able to get other bids and have another meeting next month instead of waiting.

Mr. Kirsch stated I am glad we got the pool service fixed, but let's get the same with the rest of the contracts. I want to see what they are going to be responsible for, how much we are going to pay, etc. Are all the contracts expiring in September?

Mr. deNagy responded yes, these are just to extend the agreement to September 30, 2018. I think Ernesto said 2019, but these are to bring the contracts current for this fiscal year.

Mr. Plourde stated so let's have a meeting prior to the expiration of these contracts.

Mr. deNagy responded yes, we can meeting sometime before September 30.

Ms. Taylor stated yes, but we have to have enough time to get the bids.

Mr. deNagy stated I would recommend we give staff at least a month to get bids in.

Mr. Plourde stated the fiscal year ends the 30th, so why don't we meet the 15th of September?

Mr. deNagy stated yes we can meet sometime in September. I will ask Chris or Brian if you can get proposals in that amount of time.

Mr. Hall stated it may be close.

Mr. deNagy stated I made a mistake. These contracts do go through September 30, 2019. But that's okay, we are going to meet again in September. If we don't change anything, we will stick with them.

Mr. Richardson asked the vendors here are contracted through the end of September?

Mr. deNagy responded right, yes. You still have services up to that point. We have either 30 or 60-day notices we can provide if we want to change.

Mr. Richardson stated so their contract is through the end of September based on last year's signatures?

Mr. deNagy responded right.

Mr. Torres asked for the sake of time, is this how we are going to consider each contract that is on the agenda? Should we just put a motion to get an RFP for all services so we don't really need to discuss each?

Mr. Kirsch stated that is how I want to treat them. We should bring up any outstanding issues such as the pool person or anything we have heard as residents. Should we make sure the current vendor is fixed or bring up things we think they should be doing in addition to what we are paying for. For Crystal Clean, there was an issue with the tech. The tech has been replaced now, we are happy now. We want to make sure we are getting competitive rates. We will do that for every contract.

Ms. Taylor asked if it will be for everybody listed, and the response was yes.

Mr. Torres asked is there any discussion for the Clear Water contract?

Mr. Kirsch responded no.

An audience member made a comment that from two years ago, the ponds are in much worse shape than they have been, and I don't know the reason why. I would like to hear a reason why if there is a reason. I just note that there is a lot less activity on the ponds. I forget the lady's name that also mentioned that. You used to see people on the ponds in the boat going around at least twice a year. I have not seen that for two years now. I see the ponds every day, and I go down and things are just exploding on a month-by-month basis and getting worse. I didn't see any controls happening. It doesn't mean they weren't, but by the evidence I've seen, it doesn't look like there were any controls being applied. The undergrowth has really blossomed. It is not just me noticing it, other people are noticing also. If this company is doing all that they legally can, there is nothing we can do about it. I have not seen any evidence of spray.

Mr. Kirsch stated with Clear Water and their current contract, let's get a list of what they are responsible for and what their fees entail, and then bring questions to them on is this part of our contract with you. Then any other companies come out and bid that, make sure we raise those concerns.

Ms. Taylor asked with the contract already being covered at this point, if they are responsible to make any necessary clean-up or repairs, who makes the contact to tell them this needs to be done.

Mr. Hall stated I would.

Ms. Taylor stated I don't live on a pond, I did before, and I tell you there was somebody in the boat cleaning it up at least monthly.

Mr. Plourde asked were they over there last month?

Mr. Hall responded as far as I know, yes.

Ms. Ferguson stated maybe what we can do too is have them sign in at the office.

Mr. Plourde stated they should have their representative sign the sheet that they were there and what they did.

Mr. Torres asked are there any specific instructions for the RFP for Operations Manager for the lawn maintenance?

Mr. Kirsch stated you guys know what the concerns were with Lawnboy? Okay, so a Scope of Work and what they are going to do for their contract rate, address any kind of concerns that you guys discussed in person with them.

Mr. Knight stated there will be an RFP, and a deadline will be given to get them all in. I assume you will open them all at once. Once they are opened, they can then be distributed to the board members.

Mr. Plourde stated if we can get them more than a week before to try and get through this and still do our normal life. Sometimes a week isn't enough time. I am just asking if we can get a look sooner.

Mr. deNagy stated we can try. We need to set some dates for the RFP process. We are looking at meeting sometime in September. We can meet in the middle of the month on the 13th at the Amenity Center at 6:00 p.m. I look for a motion to go ahead and set a meeting for September 13, 2018 at 6:00 p.m. at the Yellow Bluff Landing Amenity Center.

On MOTION by Mr. Plourde seconded by Mr. Kirsch with all in favor to have a meeting on September 13, 2018 at 6:00 p.m. at the Yellow Bluff Landing Amenity Center was approved.

Mr. deNagy asked Mr. Hall and Mr. Stephens if they get proposals back by August 30?

Mr. Hall responded we can give that deadline. Some people may opt not to bid because they can't make the deadline.

Mr. deNagy stated if we got them in by the 30th, we could send out by September 3.

After discussion, the BOS provided guidance to staff to seek RFPs for all services (janitorial, pool, pest, landscape fertilization, weed control, landscaping, ponds, amenity management, and operations). The RFPs will be reviewed and received by BOS no later than September 5, 2018.

TENTH ORDER OF BUSINESS Ratification of Agreement with Swimfamous, LLC

Mr. deNagy stated I sent an email out to the board. This happened between meetings. We have a resident who is providing swim instruction at the Amenity Center. This is the agreement that was drawn up. I am looking for a motion to ratify the agreement. Our liability insurance covers are pool.

Mr. Knight stated they are required to provide insurance and name the District as additional insured.

Ms. Ferguson stated she has provided that, and in the agreement, she gives back 10% at the end of every month to the CDD for the use of the pool.

On MOTION by Mr. Kirsch seconded by Ms. Taylor with all in favor to ratify service agreement for Swimfamous LLC to provide residents with access to recreational swim classes and programs was approved.

ELEVENTH ORDER OF BUSINESS Discussion of Amenity Center Policies

Ms. Ferguson stated highlighted ones are not all changes. On #12 about smoking, I have added "which includes vaping" inside of the Amenity Center. There is the look of it with kids around and residents complaining of the cigarette butt containers out front. I moved them. Another thing is we were having rentals prior to 11:00 p.m. I think that is too late. I suggest 10:00 p.m. is the latest. The restroom and front gates all close at 10:00 p.m. With that being said, the times will also change for the rentals, so it would be 9:00 a.m. to 1:00 p.m., 1:30 p.m.

to 5:30 p.m., and 6:00 p.m. to 10:00 p.m. We will still have three blocks for four hours. Under facility rental policies, I would like to eliminate the whole weekend thing. We can get more income by having the facilities available for those weekends.

Mr. Plourde asked under Bar-B-Que grill policies, didn't we allow alcohol around the BBQ grill a couple of meetings ago.

Mr. deNagy responded we did allow alcohol.

Ms. Ferguson it is a resolution that I guess the board approved prior to me. I have on my plans to talk about. A special committee wants to have a wine tasting event that I need to bring up to get approval for.

Mr. Plourde stated we approved alcohol around the BBQ area and inside the community center. We did not allow it out in the parking lot I thought.

Mr. deNagy reviewed the resolution and stated I do not see anything about specifying where the alcohol can be served.

Mr. Torres stated it allows the board, or a designee of the board, to approve the event with alcohol and beverages. They have to submit an application form to the District, and they have to provide insurance.

Mr. Plourde stated I thought even before you joined we were allowing people to drink beer and wine around the fire and grill and inside the center. Am I right?

Mr. Kirsch stated you can have alcohol at a private event as long as it is pre-approved but not on a casual basis.

Mr. Plourde stated if you were going to have Bingo night or something, and I would bring a glass of wine or a couple of beers, that was going to be allowed.

Mr. Kirsch stated if the social committee was there or if it was the CDD throwing the event, we could use the insurance provided by the District as long as it is a District-sanctioned event. If it is a private party, they are supposed to provide their own. For a casual use, I don't think that was ever approved. I'm not sure. I think where it is now is good. For anything more, we would be opening the floodgates. Smoking – is there a state law? Is there a certain distance away from the entry?

Mr. deNagy responded I don't know offhand.

There was general discussion about smoking where the smoking containers were moved.

Ms. Taylor asked is there an age requirement for the kiddie pools? Is there anything that is documented?

Ms. Ferguson stated the situation she is talking about is where you have the two pools and the kids spray ground feature. The older kids are going over there and bothering some of the smaller kids. The problem is you have bigger kids and smaller kids in families, so if all the family wants to go over there, you can't stop that. How do you police that?

Ms. Taylor stated my concern would be if you are an older child, there should be some age requirement. I have an 11-year-old and a 2-year-old. But I am with them at the kiddie park. So if you have somebody that is 17 years old, we need to come up with something or some type of policy.

Mr. Kirsch stated you really can't put anything in writing because there are children who are respectful. We can't be really proactive against it without hurting the positive individuals. We can be more reactive with it, and I am good with supporting suspensions or whatever you need to do to make sure that the people who commit these infractions are dealt with accordingly.

Ms. Taylor asked what does a suspension consist of?

Ms. Ferguson responded normally it is a suspension up until the next board meeting.

Mr. deNagy stated what I think we would like to do with these Amenity Center policies, if we can go ahead and get a motion to approve these subject to staff making sure the policies are updated with all the prior policies.

On MOTION by Mr. Plourde seconded by Ms. Taylor with all in favor for the staff to update the Amenity Center polices was approved.
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TWELFTH ORDER OF BUSINESS

Consideration of Fitness Classes

Ms. Ferguson stated there is a resident, and I have her liability insurance, who is Sweat and Core Fitness, LLC. She wants to offer classes in the social room. Her preferable days would be Thursday and Saturday mornings.

Mr. Plourde asked how close are we coming to being a place for people to conduct business instead of just being a community center? The next thing people will want to repair computers.

Mr. deNagy responded it is up to the board.

Ms. Ferguson stated I think it would be case-by-case for thing you want to consider.

There was general discussion about having businesses operate in the community.

Mr. Ferguson stated for Swimfamous, she is giving 10% back. Is this lady giving anything back?

Ms. Ferguson stated that could be an agreement that the District has.

Mr. Kirsch stated we built the Amenity Center for it to be used, and unused time is just unused time. I don't want to see it conflict with peak time Saturday. Morning.

Ms. Ferguson responded no she is doing Saturday 9 to 10, and our rentals don't start until 11:00.

I don't want to see outside residents because then it is turning into her place of business to bring outside people in.

Ms. Taylor stated I would have to say that the contract would have to be residents only.

Mr. Knight stated the contract with Swimfamous only provides for residents to be eligible for the lessons or members of the Amenity Center. The District does get 10% of her revenue as a fee for using the facilities.

Mr. Kirsch I am good with it. We are in that gray area where we draw the line. I mean if it is all residents and does not conflict with other residents wanting to use the same resources, I don't see a problem with it.

On MOTION by Mr. Kirsch seconded by Ms. Taylor with all in favor to draft an agreement for Sweat & Core LLC to hold fitness classes was approved.

They will meet Thursday and Saturday mornings 9:00 a.m. to 10:00 a.m.

THIRTEENTH ORDER OF BUSINESS

**Consideration of Appeal to Amenity
Suspension**

Mr. deNagy stated we sent a letter on recommendation from staff. A resident did not pay for an event. They wanted to have a baby shower. Their privileges have been suspended until they pay the fee plus NSF fee, which in the policy is \$50. The total owed is \$125. The resident sent a letter, which is located in the agenda package, asking us to waive the suspension. I will throw that out for consideration. I talked to Mandy before the meeting, and the money has never been paid. The check was drawn on a closed account.

Ms. Ferguson stated she states in the middle paragraph that she spoke to me a few times trying to resolve this. She stated she tried to pay with a money order, which is not correct. We have called her and left numerous messages. She has never called back nor have I ever seen her or spoken to her. We were suspending her privileges subject to her paying the fees. When she pays the fees, she can get access back. She is wanting access but has not paid.

Mr. Richardson asked as long as the debt remains the suspension continues?

Ms. Ferguson stated yes.

Mr. Kirsch stated I would expect the same treatment.

Mr. deNagy asked is the board in agreement to deny the appeal?

The board members responded yes.

On MOTION by Mr. Plourde seconded by Mr. Kirsch with all in favor to deny the appeal of the Amenity Center suspension for resident Victoria Conner was approved.

FOURTEENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

FIFTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Mr. Knight stated I have nothing to report.

B. Engineer – Acceptance of the Annual Engineer's Report for 2018

Mr. Lockwood stated I have the stamped copies of the Engineer's Report. You have had the draft copy, and the only difference between the two copies is one is now stamped, the date is changed, and Duval County is corrected on the cover. Mr. Torres received the signed

and sealed copy via email and can disseminate it if need be. In the reported I mentioned a few things that need to be updated, dealt with, or looked into. One is a solar speed limit sign was not working at the time, however, later that night it was working. I don't know why that happened. I noticed there are some aquatic plants, which is probably what people are talking about around the ponds. It is something that happens over time, but generally you try to maintain it as you can. It is a harder thing to do. What one person said about clippings going on there, yes, over time that creates aquatic problems. There is no great solution for it. There was an email from a resident about some growth, and I am going to call them weed trees for lack of a better term. You have some of those around the ponds that are growing that probably should be maintained. Generally you try to get the residents to maintain around the pond banks if you can. There are some fences along the ponds. We have looked into the issue, and it is hard to say that the residents can't build fences in the easements, however, if the CDD needs access, and the fence is in the way, the CDD has a right to remove those fences. They can remove the fence, and the resident would have to put it back in at their cost. It is certainly not a great thing, but we do need access to the ponds. Everybody here has talked about the ponds today, and if you have a boat that gets into the pond, there is an easement, and it has to be accessed. There are a couple of unobstructed access easements, but for the most part the easements are just general easements. They are still used for access.

Mr. Plourde stated didn't we talk about this last time, and we were going to send a letter or an email out the people or to the HOA to tell these people you have this responsibility.

Mr. Lockwood responded the answer is indirectly yes, we talked about that. We will produce a map. However, looking into it, it is a little more dicey than saying "Hey, got to remove your fence." I am just letting you know that in researching it, I was hoping it was black and white. It is a little more gray than I had hoped. The residents technically can put the fences there, but then it becomes a situation where if you need to get access, the wording and the crafting of the language would have to be massaged in a way that notifies them – I don't know how you say it. "You can build a fence, but we might be able to tear it down." The problem is first of all, it is not CDD lands. These are actually owned by the lot owners. They own up to the property line. They share it. So it is not CDD lands you are using, but it is access easement through their property.

Mr. Knight stated even though what the CDD has is an easement, the landowner shouldn't do anything to obstruct the CDD's use of that easement. Even though they own the property, if it is CDD easement, then the CDD ought to be able to use it without be obstructed by fences and other obstacles.

Mr. deNagy stated we did have one resident where we had an issue with access to the pond. When we looked into it and got out there, there is a really wide easement, maybe 40 feet. You had a fence on one homeowner's side that went right down the middle of the easement and none on the other side. So the lake management people were going down where there is no fence obviously. Now, what do you tell the resident that has put fence in? Do they have to put a gate in to allow access on their side?

Mr. Lockwood stated most people do not have fences that block, and a fair amount of your ponds are open area. I will come up with a map for that.

At this point, Supervisor Dan Plourde left the meeting.

Mr. Lockwood continued. I don't know if this is a big deal or not, but I need to mention it. The CDD drains through into the city's property. There is a property across the street where Smf 8 is. The tract is fenced, but a section of the fence is missing. It is total accessible. It is city property, but you drain through it. I don't know if we want to notify the city that the fence is open, and the pond is not maintained. It is completed weeded over. Trees are growing into the pond. It is offsite, but it is across the street of Yellow Bluff Road. It is almost directly across, but the CDD drains through it. Another thing mentioned in the report is the striping for your parking lot needs to be redone. It is probably not something you have in your budget, but it looks like it is due. You can hardly see them. I mentioned in the report that you will need money set aside to replace and repair things as they go. Your roof is 10 years old. They usually last 20 years. I know it seems like a long time, but 10 years is not a long time. You need to put money aside for repairing the parking lot, and your Amenity Center in general will have a lot of maintenance that will have to be done over the next 10 years. If you don't set aside, you will have to go out and reassess, re-bond, and do some crazy stuff. If you set aside a reserve fund now, you will be much better off. I would anticipate you need over a million

dollars. That is my opinion. I haven't done any assessment or any study, but I am sharing my opinion.

Mr. Kirsch asked if we do this reserve study, will they go 10 years old.

Mr. deNagy responded yes, it is typically 30.

Mr. Kirsch stated let's move with that. That's my suggestion.

Mr. Lockwood stated those are the main things I have in the report. This report is required early for the bond holders.

On MOTION by Mr. Maier seconded by Ms. Taylor with all in favor to accept the Engineer's Report was approved.

C. Manager

1. Report on Number of Registered Voters (1,212)

Mr. Torres stated we are required by Chapter 190 to report each year the number of registered voters. That is 1,212.

2. Discussion of the Meeting Schedule for Fiscal Year 2019

Mr. Torres stated I know a few supervisors have their own comments about that.

Mr. Kirsch suggested to move them all to the Amenity Center at 6:00. We are going to run into the bid situation again next year with RFPs and contracts coming up. We just created a September meeting for this year, and it probably should be recurring.

Mr. Torres stated if your RFPs are going to be an annual thing, that you would move it before you pass a budget.

Mr. deNagy stated I would not recommend an RFP every year. It is a lot of work for a little bit of money.

Mr. Kirsch stated but different vendors come up at different times.

Mr. Torres responded in this District, all of them are expiring the same time.

Mr. Kirsch stated okay. I am good with the four meetings, just change the time and location for the January and July meeting.

Mr. deNagy asked is the board okay with changing the time to 6:00 p.m. and the location to all be at Yellow Bluff Amenity Center. That would be October 4, 2018; January 3, 2019; April 4, 2019; and July 11, 2019.

On MOTION by Mr. Richardson seconded by Mr. Maier with all in favor the meeting schedule with the January 2019 and July 2019 meetings changed to be held at Yellow Bluff Amenity Center at 6:00 p.m. was approved.

D. Operations Manager

Mr. Hall's report is located in the agenda package behind Tab XV-D.

Mr. Hall briefly highlighted items in his report. Lawnboy has done a good job. He also discussed landscape changes to the entrances. This will be discussed more at the next meeting.

At this point, Supervisor Brian Richardson left the meeting

Mr. Hall stated NiteLites provided a proposal for outdoor lighting in the amount of \$9,983.00. They are able to bore under the road versus solar. There will be brass fixtures that are very long lasting.

Mr. deNagy stated this would be funded out of Capital Reserves.

On MOTION by Mr. Maier seconded by Ms. Taylor with all in favor to authorize a Small Project Agreement with NiteLites for outdoor lighting in the amount of \$9,983.00 was approved.

Mr. Hall stated we are going through umbrellas at the pool. They are breaking. There are umbrellas with a Sunbrella fabric with a five-year warranty and two-year frame warranty. It does not cover wind damage though, and they are about \$200 apiece. I have been replacing the broken ones with \$30 umbrellas.

Ms. Taylor stated \$200 each for an umbrella – no. I can't do that, especially if it is not covered for wind damage.

Ms. Ferguson stated that is why we were buying the cheaper ones. They are cheap, but they also look really bad when they only a week. You get what you pay for. I checked prices through Southern Recreation for sun sails. We are \$6,000 to \$8,000 for those. They also have really nice hexagon umbrellas that provide about 250 sq. ft. of shade. Those are \$3,500 for one. There is a 10-year warranty with the fabric and 20 with the frame.

Mr. Kirsch asked can we hold with what we are doing right now until the end of the summer since we are half way through it. We will talk about this when the other board members are present.

Ms. Ferguson presented her report. We have cameras up and running in the social room. I have a lot of residents who want a vending machine for drinks at the pool. I have some information from Coca-Cola. They give back 10% commission after we have sold 70 to 100 cases of drinks. It would be a card reader system. No charge to install. We have found where we want to put it, which is by the water fountain. There is an electrical outlet there too. They cover vandalism insurance. My recommendation is to go for it. We are getting into the off season, but they are still responsible for supplying it and keeping it up. If it becomes a problem, it can be removed.

Mr. Knight stated we do not need an agreement because it is not costing the District anything. You are just allowing them to install a machine there.

The board members agreed for Ms. Ferguson to proceed.

Ms. Ferguson stated the social committee wants to do a wine tasting on July 22 at 6:30. It is a company coming in. You can taste up to 13 different wines. You can order online or afterwards if you are interesting in purchasing a wine. They have their own bartender.

Mr. Knight stated we need a Certificate of Insurance showing they are insured. They need to see our policy on drinking, which was adopted in that resolution mentioned earlier. Nobody under 21 and all of that – they need to be aware of that. The way the policy is written, we should get a vote from the board authorizing that event.

On MOTION by Mr. Maier seconded by Ms. Taylor with all in favor the wine tasting event for residents was approved.

SIXTEENTH ORDER OF BUSINESS

Supervisor Request / Audience Comments

Supervisor Requests

Mr. Kirsch stated the entry cameras, were are we are on that.

Mr. Maier stated now that we are going to have electricity, it will be a whole lot cheaper.

Mr. Kirsch stated assuming power is there, can we get numbers with the September meeting. Can we add the security camera discussion to the September meeting agenda?

Mr. Torres will add that do the September agenda.

Audience Comments

A resident expressed his thoughts that the neighborhood is just becoming a sales pitch for different businesses. I don't want to live on Wall Street. I want to live in Yellow Bluff.

Leo Dickinson from Lawnboy stated we have served the community for 7 years, and we love the community. We are a relatively small company, and I appreciate the frank feedback. It is valuable to us. We have gotten great feedback from Brian and Dan. When Chris and Brian reach out to us regarding an issue, we are very responsive. I also live in the community and understand your desire to find out where the market is. I hope we have an opportunity to bid also.

Ms. Ferguson stated I have one more thing. I have residents who have a problem with people fishing in their backyard. Currently there are no signs up. She said the problem started with one or two people, and it is now turning into people bringing umbrellas and coolers and families.

Mr. deNagy stated I know at a District in St. John's County, we have a trespass agreement with St. John's County Sheriff's office. They can cite people for trespassing for being on a pond bank fishing if it is on private property.

Mr. Knight responded we can only do that on CDD property. Where these people are doing that, if it is not on CDD property, we can't do anything about it. If they own the property, they can call the police.

Mr. Lockwood stated that pond right there is encompassed by private homes. There should be no public access to that, especially off that cul-de-sac.

Ms. Ferguson stated the resident said they are walking right through the yards.

Mr. Knight stated the CDD may own the lake banks. If they are going to trespass on the CDD property, we probably have to go to the sheriff and work out a trespass agreement. That agreement would designate somebody to call and report the trespass and warn them to leave, and if they didn't leave, they could be arrested.

Staff received guidance to inquire with Duval County regarding Trespassing Agreement for fishing on pond banks.

SEVENTEENTH ORDER OF BUSINESS Financial Statements

A. Balance Sheet and Statement of Revenue & Expenditures

Mr. Torres stated these are as of May 31, 2018.

B. Assessments Receipt

This item is located in the agenda package.

C. Check Run Summary

Mr. deNagy stated the total of the check run summary is \$133,430.78.

On MOTION by Mr. Maier seconded by Mr. Kirsch with all in favor the Check Run Summary in the amount of \$133,430.78 was approved.

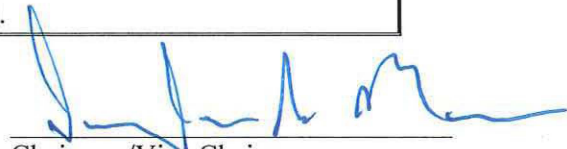
EIGHTEENTH ORDER OF BUSINESS Next Scheduled Meeting

Mr. deNagy stated the next scheduled meeting is September 13, 2018 at 6:00 p.m. at the Yellow Bluff Amenity Center.

NINETEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Maier seconded by Ms. Taylor with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman