

MINUTES OF MEETING
DEER RUN
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Deer Run Community Development District was held Thursday, May 23, 2019 at 6:00 p.m. at the Holiday Inn Express & Suites Palm Coast, 200 Flagler Plaza Drive, Palm Coast, Florida.

Present and constituting a quorum were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
James Teagle	Assistant Secretary
Jan Doan	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Sarah Warren	District Counsel
William Viasalyers	Field Manager
Rey Malave	District Engineer by telephone
Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Porter called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

A resident stated I looked for an agenda on the website and it wasn't posted as early as this evening. It is difficult to have comments on the agenda without having the agenda.

Mr. Porter stated we will do a better job next time.

A resident stated I sent an email on the website asking how I could get an agenda and how to add items or can we add items to the agenda and I never received a response. I followed-up a week later and never received a response.

Mr. Porter stated in Ernesto's defense, Jason Showe was our District Manager and Ernesto has only been at this for a week now. There was a period when GMS didn't have anybody and I apologize for that. Given the fact that you didn't get a chance to see the agenda as

we go through this if there is something that you want to comment on, we will take it at that time.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the November 29, 2018 Board of Supervisors Meeting and Acceptance of the Minutes of the November 15, 2018 Landowners' Meeting

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor the minutes of the November 29, 2018 Board of Supervisors meeting were approved, as presented, and the minutes of the November 15, 2018 Landowners' meeting were accepted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-06 Electing an Assistant Secretary

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor Resolution 2019-06 electing Ernesto Torres Assistant Secretary was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-07 Approving the Proposed Budget for Fiscal Year 2020 and Setting a Public Hearing

Mr. Porter stated Resolution 2019-07 approves the proposed budget for Fiscal Year 2020 and sets a public hearing.

Mr. Torres stated it is scheduled for August 22, 2019 at 6:00 p.m. in the same location.

Ms. Warren stated I think Katie spoke to you briefly about trying to align the meeting schedule of Deer Run with another District. Their budget hearing will be on August 28th and we would propose holding it then.

Mr. Porter stated basically we do monthly meetings if we have something to do and if there is no business we cancel the meeting so that we don't pay the Attorney and the Engineer or rent the room. Before you come to a meeting to avoid a problem of showing up without anything going on, check the website.

A resident stated the last meeting that was canceled was canceled four hours prior to the meeting. Can you give us a little more lead time because I rearranged my whole day?

Mr. Porter stated okay.

Ms. Warren stated I think we lost quorum at the last minute.

Mr. Porter stated it doesn't happen often but if we have somebody who cancels, we cannot have a meeting unless there are three of the Board Members here.

A resident stated there were no agenda items, but we didn't have the opportunity to raise items for the agenda.

Mr. Porter stated if you have things that you would like to have on the agenda, contact Ernesto and he will look at it. If we don't have much we are going to ask you to wait a month.

A resident stated I looked at the audit on the website to have an understanding of the budget and there were no audits for the last two years. Are those audits done and do you know why they weren't posted?

Mr. Torres stated the last one on the website is 2017 and the Board has not approved the Fiscal Year 2018 audit yet.

Mr. Porter stated there is a proposed budget. We will set a public hearing, we are going to approve this for a preliminary budget and when we have the public hearing everybody will have plenty of time to discuss any item on the budget. We can change it at that hearing and at that hearing we have to adopt it so it can get on the tax roll. We can adopt any amount that is not in excess of this proposed budget. If we wanted to raise it from our proposed budget then we have to re-notice the hearing and from a practical standpoint that just doesn't happen. The District has been around for about ten years but there were very few houses for the first ten years and now we are starting to get more residents. For a long time everything was neglected, there was very little landscaping done, no amenities and so forth. Now, we have an amenity center under construction, we are trying to make the place look nice, something we can all be proud of. We are maintaining ponds that weren't maintained, we are maintaining landscaping, we have replaced a lot of landscaping. For years that waterfall on U.S. 1 never ran, it was covered with algae; we are trying to get everything in shape.

The budget this year is based on contracts to the extent that we have them for things like lake maintenance, landscaping and so forth. It is based on estimates for things like maintenance of the amenity center and so forth because we have not done it, it is new and it is not finished yet. Until we actually have some experience and have a contract we are not sure what janitorial will cost and what it will cost for people to man it. Those are estimates and when we actually have the budget hearing on August 28th, we will go over it in whatever detail you want to. I

would ask everybody between now and August 28th to review the budget. If it is not on there now, it will be in the next few weeks or so and if you have questions about specifics there is an explanation in there that is pretty good but if you have questions contact Ernesto. I would ask everybody if you want to be involved in the budget please look at it ahead of time and if you have questions, ask them so we can have the meeting go smoothly.

Mr. Torres stated once the proposed budget is approved tonight then we will post it on the website.

A resident asked is there a way to submit questions in advance so you are prepared to respond to them at the meeting?

Mr. Porter stated you are going to see this on the website and I would love you to send questions to Ernesto ahead of time. That will make the meeting go very smoothly; none of us want to be here until midnight going through numbers.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor Resolution 2019-07 Approving the Proposed Budget and Setting the Public Hearing for August 28, 2019 at 6:00 p.m. at Holiday Inn Express & Suites Palm Coast, 200 Flagler Plaza Drive, Palm Coast, Florida, was approved.

SIXTH ORDER OF BUSINESS

Ratification of Partial Acquisition of Work Product/Improvements & Contract Assignments

Mr. Porter stated all of the activity going on out there was started by Horton and Horton paid some of the bills and is being reimbursed by the District. Horton is paying the overage because it is going to come in over the budget and it is more money than the District actually has. There was a bond sold and we do requisitions to either reimburse Horton or in this case it is the contractors doing the work.

- A. Genesis Halff, Inc.**
- B. K&G Construction Co., Inc.**
- C. Micamy Design Studio, Inc.**

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the partial acquisition of work product/improvements and contract assignments were ratified.

SEVENTH ORDER OF BUSINESS

Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc.

Mr. Porter stated next is ratification of work authorization 2019-01 with Dewberry Engineers, Inc. Dewberry Engineers is are our District Engineer and they have been from the very beginning of the District. They are the ones we rely on to inspect and approve any work that is being done. Right now they are working hard to get the city to take over the reuse system because it currently belongs to the District and we don't want it, we want the City of Bunnell to take it.

On MOTION by Mr. Teagle seconded by Mr. Doan with all in favor Work Authorization 2019-01 with Dewberry Engineers, Inc. was ratified.

EIGHTH ORDER OF BUSINESS

Ratification of Requisitions #1 – #4

Mr. Porter stated this again is the stuff that is being done on the amenity center.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor Requisitions #1 – #4 were ratified.

NINTH ORDER OF BUSINESS

Discussion of District Rules and Rates

Mr. Porter stated next is discussion of District rules and rates. This is going to be particularly important with the amenity center when it opens. We have to have rules about whether or not alcohol is allowed, how old you have to be to be able to use the workout room. I know you haven't had a chance to see this yet but there are a couple of really nice party rooms, one has a couple of grills the other has a gas fireplace. There is big media room and that kind of thing. Typically, what we will do in a CDD is if you want to have 20 of your friends over and have a party you can rent one of those rooms and the money goes to help pay for the extra wear and tear and any damage, we will have a deposit and you are expected to clean it up when you are done and that sort of thing. Everything that belongs to the District belongs to you and we

expect everybody to take care of it. If you use it clean up after yourself and if you don't we will charge a fee. Do we have a specific set of rules to talk about?

Mr. Torres stated we have a few months between now and when the amenity opens and I would like to send the Board a copy of the draft rules that we have adopted in other communities that have similar facilities and discuss the rules at the August meeting.

Mr. Porter stated I am on several Boards and this is typically the way we go about it. He will send it to us, we will look at it and see if we see any problems. Everybody here has been on a number of CDD Boards and we are familiar with what has worked and has not worked and we will work with Ernesto over the next week or two to try to get it into shape that we think is workable then Ernesto will put that on the website. I want to urge everyone to read through it. From the day to day standpoint this is going to be more important to you than most anything else. You are going to have an idea of is \$50 enough for the room, is \$200 too much for it, how big should the deposit be, what hours, what age is going to be allowed to use the weight room and those kinds of things because they are going to affect your use of it. That facility is going to be over \$3.5 million by the time it is done. We want to use it wisely and take care of it. Watch the website and when the rules are posted take a look at them because we will adopt them only after a public hearing and discussion and everybody has some input.

TENTH ORDER OF BUSINESS

Appoint of Audit Committee and Chairman

Mr. Porter stated we need to appoint an Audit Committee and Chairman and typically we appoint the Board Members as the Audit Committee and the Chairman to chair the committee.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the Board Members were appointed to sit as the Audit Committee and Mr. Porter was appointed as Chairman.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney – Discussion of Attorney Fees

Ms. Warren stated there is a letter in the agenda package requesting an annual increase in our fees. Roy's fee would increase \$25 an hour, mine would increase \$20 an hour. I'm the one who does the bulk of the work on the District.

Mr. Porter stated Sarah works for Hopping Green & Sams, they are located in Tallahassee and do probably 90% of the community development districts in the state. It is one of their specialties. My experience is they are very good at it and if you are going to hire an attorney hiring someone who is an expert in their field saves you money because you aren't paying for a lot of research or for bad advice that could end up costing you.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor the increase in Attorney's fees was approved.

B. Engineer

There being none, the next item followed.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Presentation of Number of Registered Voters - 140

Mr. Porter stated a copy of the letter from the Supervisor of Elections indicating there are 140 registered voters residing in the District was included in the agenda package. When a District is six years old and has at least 250 registered voters then at the next election two of the seats will be residents and they will be elected by residents. Two years later, two more seats will be filled by residents and then two years after that is the final seat. At the rate we are building next year we are going to have 250 registered voters so the following election cycle you will be putting a couple people on the Board. You qualify with the Supervisor of Elections and it shows up on the ballot along with the governor, senators and president. It is a public office and you are subject to government in the sunshine rules and that sort of thing.

iv. Field Manager's Report

Mr. Viasalyers stated my job primarily is to inspect the property, meet with the vendors to ensure they are meeting their contractual obligations, identify any potential issues and correct them. There is not much going on right now, we are getting ready to take on the amenity center as discussed and there will be a lot more involvement in landscaping and items like that.

A resident stated there is a retention pond that runs from 218 to 224 Grand Reserve that is mud and getting a lot of algae growth and odor. Is there anything that can be done to clean that up that area?

Mr. Porter stated there is something that can be done. We are paying folks to treat those ponds and if it is not getting done, they need to come back and treat them an extra time.

A resident stated they can only get partly down there and can't completely treat it. It is mud and algae, a lot of debris from the golf course and needs to be cleaned out.

Mr. Viasalyers stated I went out and looked at it today and I will work on that issue.

Mr. Porter stated don't wait for meetings like this when something comes up because we don't meet every month, if there is not much going on it could be two or three months between meetings. You can get in touch with William or Ernesto and let them know there is a problem. We hire these folks on a competitive bid and we usually get at least three people bidding that want to have the work and if we have someone not getting it done, we will make a change.

A resident stated they were very responsive when I called but the website was not effective.

Mr. Porter stated we will work on the website and Ernesto has only been here a week and there may not have been anyone looking at the website and we apologize for that.

A resident asked who cuts the grass and weeds that grow beyond our fences on the golf course?

Mr. Viasalyers stated if it is on the golf course it would be the golf course.

Mr. Porter stated on questions like that get with William so you can show him where it is specifically. After the meeting let him know. He has been very responsive and he will know whose responsibility it is.

A resident stated there are a lot of dump trucks that are loaded with dirt and the dirt is now dropping on Grand Reserve Drive, funneling into the concrete drains and someone has to clean that stuff out. A street sweeper just blows it in the air they don't pick anything up.

Mr. Porter stated we heard about this several weeks ago and we changed the sweeping schedule from once or twice a week to every day.

A resident stated I sent an email to Jason about the trucks and requested the trucks to go around but they are coming through every day. You told us three or four times that you have talked to these contractors and we are concerned because there are going to be more phases.

Mr. Porter stated there is a lot more to come and I can't promise that people aren't going to come in that way anymore. I will talk to the folks that are trying to control that contractor.

A resident asked is fishing allowed in the ponds because I don't feel comfortable on the golf course, I don't think that should be a public area.

Mr. Porter stated this is one of those things that will be in those rules we talked about earlier. If there is a strong feeling that there should be no fishing we will adopt a rule that there is no fishing.

A resident stated I live on a pond and I fish in the pond.

Mr. Porter stated it is hard to say if you live next to a pond you can fish there because it is a piece of land that belongs to the District and we have to say you can or cannot fish. We will get with Sarah and find out what our choices are and talk about it when we do the rules.

A resident asked is there any way to shut down access to 100 at certain times so we don't have this traffic in and out all day?

Mr. Porter responded no, it is a public road we don't have the right to shut it down.

TWELFTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests

Mr. Teagle stated I would request that the Board let me work with William on the amenity center to work on the telephones and data lines and cable, water, power and stuff like that.

On MOTION by Mr. Dearing seconded by Mr. Doan with all in favor Mr. Teagle was authorized to work with staff on the utilities for the amenity center.

Mr. Porter stated James works for me and he is managing the amenity center project, K & G is the contractor and James has been supervising.

A resident asked is this going to be a golf cart community.

Mr. Porter stated there are specific rules, legal rules and you can use a golf cart on any road that is not more than 35 mph.

Ms. Warren stated typically the local jurisdiction has a very specific process that you have to go through to have it designated as a golf cart friendly roadway. Some require that a traffic study be performed to determine average speed levels and things like that. I will look into it.

Mr. Porter stated the City of Bunnell is our jurisdiction and Sarah will get with the city and at the next meeting we will tell you what the rules are on golf carts because it varies from place to place. Generally, they are allowed on low speed roads, but they do have to meet certain requirements as far as how they are licensed. We will find out from the city and report back to you.

A resident asked you went from big dumpsters to smaller ones and the dumpsters are being overloaded and all the debris is going into the pond in front of our homes. We are pulling garbage out of the pond daily.

Mr. Porter stated I will follow-up on that. I handle acquisition and development for the company, James is doing all of the amenity centers and that kind of thing, Mark is an attorney, none of us are in the home construction end of the business but basically the problem is they are just not emptying them often enough.

A resident stated they are there every day but they are not covering them when they pull them out and debris is flying out when they are driving down the road.

A resident stated I have a question on water pressure. I have a timer set for 4:30 a.m. and sometimes the water isn't flowing at that time and my lawn is dying. When it is flowing the pressure is terrible in the last three months. Is something going on that would affect it?

Mr. Porter stated we have been trying to turn this over to the city to maintain because the reuse system belongs to the District. When are we on turning over the reuse to the city?

Mr. Malave stated we are working with Sarah on some legal documentation and some easements. We are waiting on some of those final documents being reviewed by their legal people before we do the final transfer.

Ms. Warren stated I spoke with the city attorney on Tuesday and they have had staff turnover in whatever department was going to be handling that and that has slowed it down a little bit. He identified the specific items that are outstanding that we will need to provide and I will get with Rey tomorrow. The only other thing I can think of is the golf course also uses it, they have different pumps but the whole system is still connected and we have a cost share agreement and it allocates a certain amount of water they can use. That may require Rey looking into that.

Mr. Porter stated if we are able to turn this over to the city, which will hopefully happen soon then instead of the District spending any money when there is a problem with reuse we will get with the city and if we have to coordinate with the golf course we will do that.

A resident asked who is going to be footing the bill for the new pumps that are going to be needed because it won't take care of all those homes?

Mr. Porter stated I think the system was designed to take care of all of them, but I was not involved in the design, so I really don't know. Ultimately the city provides the water, the water goes into that lake and gets pumped out. Rey, do you know what quantity they can take care of?

Mr. Malave responded yes, it was designed for build out. I will look at it again since it has been a while since I have looked at it, but it was designed for all of the development.

Mr. Porter stated initially the community included 999 homes and I think we are down to 843 home; a little bit less than initially planned.

A resident stated I walk through the community every day and I see a lot of litter around and it blows into the conservation areas. Who is responsible for cleaning that up?

Mr. Porter stated if it is from the construction site it is D.R. Horton's responsibility and I will try to get them to do a better job.

Mr. Jones stated I am one of the original owners and D.R. Horton has their part to do but we as residents are the ones who are going to drive the tractor and we are a voting block at the city. This is a new development and everything else in Bunnell is 50 to 100 years old and that can slow you up at the end of the day.

Mr. Porter stated I have met with a few of the folks at the City of Bunnell and you would be hard pressed to find a nicer group of people and they really care about trying to provide services. I think you are right; they will be responsive if you have problems. If there are problems with potable water that is the city, we have nothing to do with that and soon the

reclaimed will be theirs as well. The city has been great to work with, they are excited to see the Grand Reserve coming because the City of Bunnell is a small town with lots of old trailers and so forth and the idea that folks are buying houses and paying taxes, you are an important voting block.

I want to thank everybody for coming. It is important that everybody gets involved because we are going to be out of here within a few years and you are going to be running it and it is important that you get the experience to see what is involved, how it is run and that kind of thing. We want to have as good of a community as we can have. I want your houses to be worth more tomorrow than they are worth today because it makes every house we sell look good. I want everything to work, I want that community to be pleasant and to be what everybody wants it to be. I want you to love the amenity center and use it. As we are talking about rules and that kind of thing, get involved. If there is something we are talking about doing that you think is silly let's talk about it and make sure we get it right.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the meeting adjourned at 6:50 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman