

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, November 29, 2018 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
Duane Owen	Assistant Secretary by telephone
James Teagle	Assistant Secretary
Jan Doan	Assistant Secretary by telephone

Also present were:

Jason Showe	District Manager
Sarah Warren	District Counsel by telephone
Alan Scheerer	Field Manager
William Viasalyers	GMS
14 Residents	

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Barnes stated there is a swale or pond behind the houses on the golf course side of Grand Reserve we are trying to understand who is responsible for taking care of that area.

Mr. Scheerer stated the CDD manages the stormwater system, certain ponds within Grand Reserve. What the CDD has authorized to be done this fiscal budget year is to treat all the ponds. For the longest time the ponds have not been sprayed. We executed that, we have a company that comes once a month to spray any of the invasive plants and nuisance and exotics that are in the water. As far as lake bank maintenance itself and anything on the golf course side the golf course can do it if they chose to do it and any of the stuff on the home side I think D.R.

Horton has cleared some of those along Grand Reserve and they are being maintained accordingly.

Mr. Porter asked didn't we add those to the District maintenance?

Mr. Scheerer responded not yet, because they weren't cleared until recently. The intent is that we will get Yellowstone Landscaping, the CDD landscape provider to give us an estimate to move behind those homes but I didn't know they were done until I got out here this week.

Mr. D'Azzo stated it seems like everything behind the homes on Grand Reserve Drive is not being maintained and it is unsightly.

Mr. Porter stated we will never do the back edge of the ponds, where you have a pond behind a house and there is not somebody on the other side. The stuff that grows up there is fine for the wildlife and that kind of thing, but we are talking about adding mowing the pond banks anywhere that there are houses.

Mr. D'Azzo asked what about the rubbish?

Mr. Porter stated we will have that cleaned out at the same time.

Mr. D'Azzo asked is it D.R. Horton's responsibility?

Mr. Porter stated the ponds all belong to the District but if it is debris from D.R. Horton then we will take care of it.

Mr. Porter introduced himself and the Board Members and stated D.R. Horton bought the project from Oppenheimer, there were basically seven lots sold when we got in there and D.R. Horton redid the entryways and the rest of the stuff at D.R. Horton's expense. There is a lot of stuff that was not taken care of over the years and we are gradually trying to get it fixed and upgraded. Construction debris and the most common thing is shingle wrappers that blow everywhere, that is D.R. Horton's responsibility. Typically, the guys doing the ponds, if there is a little bit there they will take care of it. If on any of these things you see a problem with something that should have been maintained that got missed, call Jason and let him know and he will get in touch with me if it is something D.R. Horton should have done or he will get in touch with our contractors to take care of this stuff.

Mr. Showe introduced himself, Mr. Scheerer and Mr. Viasalyers and outlined the services provided by Governmental Management Services.

Mr. D'Azzo asked with all the new development areas coming into our area, we understand there is no additional entrance or exits from these communities, which will put a lot

more pressure in front of my home on Grand Reserve Drive. How are we going to handle all this traffic, noise and all the other pollutants that come with it?

Mr. Porter stated I have been in this business a long time and typically it is not a giant problem, but it will bring more traffic and there will only be two entrances. The public comment period is intended to talk about items that are on the agenda and the point of that is that we are going to discuss these and take action, if you have something about agenda items as we go we want to know about it before we get to that item. At the end of the meeting there will be a section for Supervisors' comments and audience questions and we will talk about anything you want to at that point. My personal idea is that we need to get meetings like this done within an hour otherwise people quit coming. We are going to try to stay on topic.

A resident asked is there any way to get an advance copy of the agenda?

Mr. Showe stated they are on the website along with the meeting schedule and budget. If there is anything that you think you need that is not there send me an email or give me a call. Everything with us is a public record and we will provide you with everything we have.

Mr. Porter stated please go to the website before you come to a meeting because a week before the meeting the agenda will be on the website and if we have an agenda with only a couple items on it, we will cancel the meeting and that will show up on the website. Rather than drive down here and find an empty room check before you come because every time we have a meeting we have an attorney who is on the phone but attorneys get paid by the hour, Jason has to come, everybody has to come so we rent the room and we will cancel if we don't have much going on. The website is an easy way to get in touch with Jason and it has a lot of information on there but if you have questions you don't have to wait for the next meeting.

A resident stated I did look up the minutes from August, which was 11 pages and everything was on there. If you download it you will have everything you need to know.

Mr. Porter stated that is a great way to keep up if you don't want to come to the meetings, there is a description of the discussions we have, the questions people ask and you can learn a lot about what is going on. There is a homeowners association out there most of you know that and there is a CDD. We also have people who wonder about the difference. The District will own the amenity center, will maintain the amenity center; the District owns some of the roads although we are in the process of turning them over to the City of Bunnell and right now the District owns the reuse system but we are going to give that to the City of Bunnell as well.

Basically, the District maintains the entryways, takes care of the mowing along the roads, stormwater system and will take care of the amenity center when it is turned over to the District. The HOA takes care of covenants and restrictions. If there are violations, someone with a car parked up blocks or they paint their house purple without permission, those kinds of items go to the HOA. The CDD only takes care of CDD owned or maintained property.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office of Newly Elected Board Members

Mr. Showe being a notary public of the State of Florida administered the Oath of Office to Mr. Teagle and Mr. Porter.

B. Consideration of Resolution 2019-01 Canvassing and Certifying the Results of the Landowners' Election

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2019-01 reflecting Mr. Porter received 250 votes and will serve a four-year term of office, Mr. Teagle received 250 votes and will serve a four-year term of office and Mr. Doan received 245 votes and will serve a two-year term of office was approved.

C. Consideration of Resolution 2019-02 Electing Officers

Mr. Showe stated any time we have an election we are required to have an election of officers. The current slate of officers is Mr. Porter Chair, Mr. Dearing Vice Chair, Ariel Lovera Treasurer, George Flint Secretary, Duane Owen, Jan Doan, James Teagle and Jason Showe Assistant Secretaries.

Mr. Porter stated we had a Landowners' Election and D.R. Horton owns the vast majority of the land so we cast a couple hundred votes and nobody else voted. As soon as we have 250 registered voters living in the District, which will probably happen before the next election, then at that election two of the Board seats will be on the general election ballot along with county commissioners and state representatives and everything else. It will be open only to residents of the District so we will be looking for two people who are willing to serve on the Board and to either qualify with the Supervisor of Elections or if nobody qualifies then we will appoint them.

At the following election two more Board Members go on and there will be only one from the Landowner Election and two years after that it is entirely a resident Board. Ultimately you will be running all of this.

A resident stated but we will employ these guys.

Mr. Porter stated you have to employ somebody and I have done a lot of work with GMS and they do a great job and they do the majority of the work.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2019-02 was approved reflecting the same slate of officers.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 23, 2018 Meeting

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the minutes of the August 23, 2018 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-03 Budget Amendment

Mr. Showe stated next is Resolution 2019-03 approving an amended budget for Fiscal Year 2018. This amended budget recognizes the funding that D.R. Horton put in that was not in the budget to begin with and this document is required before December for auditing purposes. It recognizes the developer contribution and related expenses.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2019-03 was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-04 Ratifying, Confirming and Approving the Sale of the Series 2018 Bonds

Ms. Warren stated the District recently issued roughly \$11 million in special assessment revenue and refunding bonds series 2018 and that sale was closed on August 24, 2018 and this resolution ratifies the sale and closing on those bonds and the actions that were taken by the

Chair with respect to finalizing documents at the preclosing that happens outside the Board Meeting.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2019-04 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Berger Toombs Elam Gaines & Frank to Provide Auditing Services for Fiscal Year 2018

Mr. Showe stated the next item is consideration of the agreement with Berger Toombs to provide auditing services for 2018.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the engagement letter with Berger, Toombs, Elam, Gaines & Frank to perform the Fiscal Year 2018 Audit was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Agreement with Applied Aquatic Management, Inc. for Stormwater and Fountain Maintenance Services

Mr. Porter asked is this basically what we have been doing and the same price?

Mr. Scheerer stated there are two separate agreements. The majority is for the stormwater ponds that we are currently doing and the other is for the entrance pond. I want to thank you for the meter because the water quality is much better and we are not having nearly the breakdown problems with that water feature as before.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the agreements with Applied Aquatic Management, Inc. were approved.

NINTH ORDER OF BUSINESS

Consideration of Amended and Restated Disclosure of Public Financing

Mr. Showe stated District Counsel prepared an Amended and Restated Disclosure of Public Financing and this updates it for the new bond issue.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the Amended and Restated Disclosure of Public Financing was approved.

TENTH ORDER OF BUSINESS

Discussion and Authorization to Turn Pump Station Over to City

Mr. Porter stated the pump station is the reuse, the bright purple pipes you see at the edge of the golf course and the City sends treated effluent from the station that goes into the pond and then it gets pumped out and goes to everybody’s house for irrigation, which is much cheaper than using potable water. The way it was set up initially was with the District owning that and being responsible for the maintenance and I don’t think that is a business we want to be in, I don’t want to be responsible for it, I don’t want the District to be responsible for it so from the time we got started on this we have been moving toward turning it over. The City naturally wanted to know they weren’t going to have to sink a lot of money in it as soon as they got it so D.R. Horton has paid for new pumps, pump repairs, painting. I talked to the new City Manager today and we are going to have to do some surveying and that kind of thing. We will need Sarah to talk to Kristen Bates at the City and we will send you contact info. We will need to have the documents for the turnover, it will have to be approved by this Board, it will also have to be approved by the City. I would like the Board to authorize me as Chairman to execute whatever documents we need so we don’t have to wait months to get it done.

Mr. Showe stated we handed out Resolution 2019-05 that Sarah drafted that provides for that authorization.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor staff Resolution 2019-05 was approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Porter asked where are we on the turnover of the streets?

Mr. Showe stated I know they have been working on it, I will find out.

Mr. Porter stated some of the streets belong to us and some belong to Bunnell and we are turning them all over to Bunnell so Bunnell will be responsible for the maintenance instead of the District.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the check registers were approved.

ii. Balance Sheet and Income Statement

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

iii. Ratification of FY 18 Funding Request no. 1

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Fiscal Year 2018 funding request no. 1 in the amount of \$36,347.95 was ratified.

There was a technical difficulty with the digital recording and the balance of the minutes are summarized.

iv. Field Manager's Report

Mr. Scheerer gave an overview of the Field Manager's report, copy of which was provided under separate cover.

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the meeting adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman