

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 Wednesday, January 27, 2021 at 3:00 p.m. in the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
Bob Barnes	Assistant Secretary
Gail Lambert	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Sarah Warren	District Counsel by telephone
Michelle Rigoni	District Counsel by telephone
Peter Amans	District Engineer
Heather Chambliss	Amenity Manager
William Viasalyers	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

A resident asked which is considered the front entrance, 1 or 100?

Mr. Porter stated I guess it depends on who you ask. I don't know. I think of it as 100.

THIRD ORDER OF BUSINESS

Organizational Matters

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

The oath of office was taken prior to the meeting.

B. Consideration of Resolution 2021-01 Canvassing and Certifying the Results of the Landowner's Election

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor Resolution 2021-01 Canvassing and Certifying the Results of the Landowners' Election was approved.

C. Consideration of Resolution 2021-02 Electing Officers

Mr. Porter stated currently I am Chairman, Mark is vice Chairman, everybody else is Assistant Secretaries as is Ernesto.

Mr. Torres stated I can move to the Secretary position and George Flint will be an Assistant Secretary along with Ariel Lovera treasurer.

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor Resolution 2021-02 was approved reflecting the following officers: Robert Porter Chairman, Mark Dearing Vice Chairman, Ernesto Torres Secretary, Ariel Lovera Treasurer, George Flint, James Teagle, Gail Lambert and Bob Barnes Assistant Secretaries.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 26, 2020 Board of Supervisors Meeting and Acceptance of Minutes of the November 4, 2020 Landowners' Meeting

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the minutes of the August 26, 2020 Board meeting were approved as presented and the minutes of the November 4, 2020 Landowners' meeting were accepted.

FIFTH ORDER OF BUSINESS

Consideration of Phase 2 Warranty Deed

Mr. Dearing stated this is just conveyance of the common areas in the newly platted area to the CDD, most of which are to remain natural.

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the Phase 2 warranty deed was accepted.

SIXTH ORDER OF BUSINESS

Consideration of Proposals with Yellowstone Landscape

A. Amenity Center Palm Tree Pruning

Mr. Viasalyers stated the first proposal is 105719 to do the annual pruning of the 18 palms around the amenity center and the 8 specialty palms for \$990.00.

B. Light Pole Oak Tree Trimming

Mr. Viasalyers stated we have had emails from residents about the light poles from the US 1 entrance; there are about 16 pole lights that need to be trimmed and this is for an arborist to come in and work with Yellowstone for a cost of \$1,643.88. This is for safety and illumination of the sidewalks in those areas.

C. Grand Reserve Front Entrance Enhancement

Mr. Viasalyers stated the third and final proposal is for \$3,523.30. This was a request by one of the Board Members to see about converting the US 100 entrance from a water feature into a plant feature so the maintenance would just be a quarterly change out of the flowers versus if the pump goes out you have to replace the pump, the cost of water and that kind of thing.

Ms. Lambert stated we need a comparison long term for either keeping the fountain or maintaining landscaping.

Mr. Viasalyers stated the cost to replace the pump would be just over \$2,000 a one-time cost upfront and we don't know how long they would last, it can average out to 5 or 10 years and that is a \$2,000 initial cost plus the cost of water, maintenance and all that stuff every year. If we go with the proposal at the initial cost of \$3,523.30 there is going to be an annual cost to do the quarterly switch out of \$450 each quarter or \$1,800 annually.

Mr. Porter stated personally I like the water feature I would hate to throw that away. Horton spent the money to replace the pumps, redo the piping, replaced the electric service because we had a lot of trouble keeping the pump running. That was all done at no cost to the District and now we have a potable water source so it is better quality water and it should run a lot better and it has been running better.

Mr. Barnes asked aren't we talking about the 100 entrance?

Mr. Porter stated Sorry, I was on the wrong entryway. I don't have a problem with that, it has been a problem for us all along.

We like two of the three proposals and leave the entry feature as it is.

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor proposal #105719 from Yellowstone in the amount of \$990.00 and proposal #96425 from Yellowstone in the amount of \$1,643.88 were approved.

Replace Pump at U.S. 100 entrance

Ms. Lambert stated we need to approve the pump replacement.

Mr. Viasalyers stated that wasn't included because I didn't get the revised proposal until the last minute, but it is for \$1,080 to replace the damaged pump. It has been down for quite some time.

Ms. Lambert asked would the enhancement include repainting the sign?

Mr. Viasalyers stated that is something we are working on. We are having some trouble getting local vendors. GMS has reached out to RMS but have not yet received a cost. We will continue working on that to get the letters repainted.

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the proposal from Yellowstone for replacement of the pump at the entrance at US 100 in the amount of \$2,080 was approved.

SEVENTH ORDER OF BUSINESS

Discussion Items

A. Discussion of landscape Improvements – Requested by Supervisor Lambert

Ms. Lambert stated the palms in the back are an ongoing challenge and about 18 months to a year ago we had the plants cleared and invasive plants sprayed. We have volunteers and won't have to involve Yellowstone. How can we improve the landscaping without a lot of extra cost? Can we get proposals from residents to be able to plant a tree or shrub and have a contract between the residents and the CDD? Or contract a local landscaper that may be more competitive.

Mr. Porter stated one concern I would have is in the past when we stopped mowing and just let come back whatever comes back that made some people absolutely crazy, they worry about snakes and rats and that kind of thing and more than once we have had to go back in. I don't mind the idea if we have somebody who is living on a pond and we make sure our attorney

agrees, giving them a license agreement that if they want to take care of the part between their lot and the water I'm happy to have them do it. If they would like to mow it they can mow it, if they prefer not to mow it then let it grow in naturally or if they would like to plant something it doesn't really bother me. What we are set up for essentially and with all this mud it isn't working really well is to be able to mow, because it is the most efficient thing to do. I don't want to spend the District's money with somebody out there with a weed-eater trying to take out stuff selectively around trees and that kind of thing. We can just let it grow, but I don't know how many residents are going to be happy with that.

Ms. Lambert stated I don't think residents want that, particularly the no. 2 section.

Mr. Porter stated if you want to take on the effort of maintaining it, it doesn't cost the CDD anything and you can have it the way you like it and if that is nothing but grass or if you would like to have trees I don't think it has a bad effect on anybody that is adjacent.

Mr. Viasalyers stated it is an impact to our landscaping because if we stagger each house, one house may want to do it and another may not want to do it, that is going to become cumbersome for their workload and they won't be able to maintain the lots and there is no irrigation on the banks either, which is another issue.

Mr. Porter stated I understand, even if it were every other lot we can't have somebody go straight down the lot line with trees but if we did something like a curving path that a mower could follow. Certainly we want to work with you in terms of where they can plant and we can't do it without having some kind of agreement so anybody who wants to do this would need to get in touch with Ernesto and you can meet with him. We can do it and have a limit of what they are going to maintain as opposed to what you maintain.

Ms. Lambert stated maybe we could do something similar to the HOA where you submit a form.

Ms. Warren stated a license agreement is certainly an option and probably at this point it would be helpful if Ernesto, William and I have a chance to look into that area a little bit closer and discuss various considerations and what makes sense in terms of a framework to be spelled out in that agreement. We can work on that and the Board can authorize staff to move forward with that or we can bring it back to the Board at a future meeting.

Mr. Porter asked does anyone object to the idea of giving the people next to the water, the right to maintain their own if they want to?

A resident stated what goes through my mind is we have an approved list of choice. You have a form and you check off what you want to do and as long as it conforms to that list and we are all in agreement then it is fine.

A resident stated I live next to the water but my neighbors don't want to do it. What happens then?

Ms. Lambert stated whoever doesn't want to do it, it will be maintained like it is now.

A resident stated I thought you said we would have to maintain it.

Mr. Porter stated if you plant a tree we are going to expect you to maintain the area around the tree. You have to leave a path they can get their equipment through.

A resident stated I have no problem with that at all.

Mr. Porter stated if we adopt this kind of policy we will put something in writing that makes it clear as to what you can and cannot do. If everybody agrees to this let's have our attorney and staff get together, work on it and I will get with the attorney to figure out what kind of forms we need and get started with something.

We may not be able to have vegetation in there. We will get our Engineer to look at that specifically because if that is designed to convey the water we are not going to want to do anything that gives us a potential flood in heavy rains or tropical storms. Also make sure it is not a violation of the water management district permit and that sort of thing.

B. Discussion of E-Verify Requirements for Special Districts

Ms. Warren stated there is a new state law that prohibits public employers from hiring anybody who is not authorized to work in the U.S. and in order to comply with that law the District is now required to enroll in the E-Verify System, that basically states we will comply with the authorization process. This applies to District employees and once we enroll in that program we file a memorandum of understanding that outlines the District's responsibilities. It would just be a matter of our agreement incorporating some standard language and also puts some responsibility on the contractors to also follow the same law. We would like the Chair to be authorized to sign off on that memorandum of understanding so we can enroll the District in the E-Verify System.

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor the Chairman was authorized to execute the memorandum of understanding for the E-Verify System.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Warren stated we continue to monitor everything and we will keep the Board apprised of anything that may impact the District's operations and we are gearing up for the start of the legislative session in Tallahassee and we will be monitoring any legislation that may impact Districts or you as members of the Board and will keep you up to date.

B. Engineer

Mr. Shultheis stated we did receive a letter from the St. Johns River Water Management District about a potential concern. They asked us to get in touch with a specific person within the District before the 30th. We made contact with them already to try to get more information on what the issue really is. I think they sent us some maps of some areas that they think were cleared. We are trying to look into what was originally permitted to make sure that those areas were already permitted and were done as part of the master permit. I think Ernesto and District Counsel we should probably discuss what we want to do as far as communicating with the District, but right now I'm just getting all the information we need to see where we stand.

C. Manager

I. Approval of Check Register

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

2. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package.

3. Amenity Manager's Report

A copy of the report was included in the agenda package.

4. Field Manager's Report

A copy of the report was included in the agenda package.

NINTH ORDER OF BUSINESS

Audience Comments

A resident stated a lot of residents like to leave their cars out in the street all night and block the street. Also there are a lot of cars that speed.

Mr. Porter stated Horton put in speed humps to slow it down some. We had a few residents who were upset because of that.

A resident stated on illegally parked cars you need a tow program.

Mr. Torres stated the roads are not CDD property, they belong to the city. We do have a policy for anyone who parks on CDD property that after warnings we can tow.

Mr. Porter stated we don't have the authority to enforce traffic rules or parking rules, on the streets, that is the City of Bunnell. We do have a policy for illegally parked cars on CDD property and Ernesto can have them towed. You just need to let him know.

A resident asked Golfview for instance, is that CDD or City of Bunnell.

Mr. Porter stated all the District owns is this site, a little bit of land at the entryway and some retention ponds.

A resident stated there are people parking 24/7 on lawns and CDD property. There is one on the grass around the lake at the corner of Golfview and Lakeside and it has been there for four weeks. If you are going to do any type of pool heater, no matter the expense, it needs to be spelled out to the penny to each and every single resident in this community on how much their CDD fee is going to go up. People in the community are asking for a pool heater when they bought a house with a community pool with no heater. Our community is not built out and people are moving in with no clue as to what their taxes are going to be and their CDD is until they are here for a period of two years. I have been here over two years and just found out in January exactly how much my mortgage is because of the amount of taxes.

Mr. Porter stated it is going to change every year. The way this works is the debt service portion stays the same until the bond is paid off, which is about 30 years. The operation and maintenance is set by this Board every year based on the budget that Ernesto will create which reflects what we are under contract for, for lake maintenance, landscaping, what we spend to maintain this building. Every year it changes up or down and I think everybody knows it very seldom goes down. We have not decided to put in a heater in the pool. Every year there is a

public hearing on the budget, you get a mailed notice that gives the date and if you come to the hearing we go over every line item in the budget that anyone has a question on.

Mr. Scott stated all summer people were saying we need a new pool so I took the initiative to get quotes on what it would cost to heat the pool so we can know what we are talking about. I put a comment on the Facebook page that Heather's report will be released today and there was lots of discussion. The capital cost of heating the pool depending on which method ranges from \$55,000 to \$123,000, depending on the type of heating system that is installed. The operating cost for heating the pool would be from \$11,000 per year to \$33,000 per year depending on the method selected. All this information is in Heather's report, which is on the CDD website. I would pay \$11,000 to heat the pool but I would not be willing to approve \$123,000 in capital expense. \$11,000 per year would equate to about \$24 on every homeowner's annual CDD fee. It is very expensive to install a heater on this pool. It is not on the agenda, it is not up for consideration but it is nice to know the cost so people can discuss it and decide what they want to do.

Mr. Porter stated a lot of times what you will see is someone will want to know if it is feasible to heat the pool. Changes like that we won't make in the middle of the year, we would discuss that when we are putting the budget together.

You mentioned the website. You will never find me on the website and hopefully, none of the other members of the Board because it is illegal for us to talk about issues like that with other Board Members outside of a meeting.

A resident stated I understand that the streets are all owned by Bunnell, but I would like to recommend that the contractors creating potholes repair them while they are still out here working. We do have a resident here that has been going out at night and filling them up with concrete and that shouldn't happen either.

Yellowstone is doing a decent job mowing, but they are mowing over the trash that the contractors are throwing out their windows. I would like them to pick the trash up. We have a couple that go out with a garbage bag and clean the street and they shouldn't have to do that. The entrance at route 1 is always full of trash.

Mr. Viasalyers stated I come out every other week and we ride through with Yellowstone and that is one of the top items that we continuously have and bring to their attention. I will revisit that topic with them.

A resident stated I'm one of the people who think a heated pool would be a great idea. With all due respect when we first moved here we thought the pool was heated. Once we moved in we talked to Heather and we didn't expect to heat the pool tomorrow and we don't understand the opposition to a heated pool. There are people who do not want to heat the pool. Most days when I'm here nobody is grilling and it is a nice facility and I have been in other facilities where they had a heated pool and it becomes the community center.

Mr. Porter stated as we get closer to the budget process dates there will be a proposed budget and a public hearing to discuss and adopt it. When we get ready to do the proposed budget we can talk about it. We can talk about how much it would be per person to add it and so forth and what other possibilities there may be.

A resident stated on Lakeside there is a large pond at one end and at the very back end where the maintenance shed is located is a very small pond. In between those two is a canal and that canal is dry mud. My next door neighbor the other day took me inside and to the backyard and said, smell that. She said even if I wanted to sell my house tomorrow I can't because nobody walking into my backyard and smell that and buy the house. Is that something that should be in a brand new community? The canal behind seven houses is a mud mess.

Mr. Viasalyers stated to go into what you were asking, it is behind 126, I met with the homeowner previously, we reviewed that area. The Engineer can speak to what it is designated as but it is technically a swale area that gets a little bit of overflow of water, it holds the water, it does become stagnant. We can see if our lake vendor is able to clean it up a little better to prevent any constant smell and see what the options are. It is not a pond it is just a little swale area.

Mr. Porter stated we will look into and see what we can do.

A resident asked who is responsible for the conservation areas? Is it CDD?

Mr. Porter stated most of them belong to the CDD but they are subject to a conservation easement that is granted from the water management district that essentially says we can't do anything. If there is a tree on the edge of it that endangers a house they will let us take it out but in general we have to stay out of it, it is just for wildlife.

A resident stated I just wondered if the swale they were talking about was conservation or CDD.

Mr. Viasalyers stated it is technically in the conservation area. We are going to meet with the District Engineer and review it with him and see what options we can do legally.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor the meeting adjourned at 4:10 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman