

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, July 28, 2021 at 3:00 p.m. at 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
James Teagle	Assistant Secretary
Gail Lambert	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Katie Buchanan	District Counsel
Michelle Rigoni	Hopping, Green & Sams, P.A. <i>by telephone</i>
Peter Amans	District Engineer <i>by telephone</i>
Heather Chambliss	Amenity Manager
William Viasalyers	Field Manager
Bob Barnes	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Porter called the meeting to order at 3:00 p.m. and stated all supervisors are present although Bob Barnes has submitted his resignation since he has been appointed to the city council and cannot serve in both offices.

If you are interested or know someone who may be interested contact them and ask them to send Ernesto a note and let him know you are interested and we will address it at the next meeting.

SECOND ORDER OF BUSINESS

Audience Comments

A resident stated on the irrigation pump replacement you may have noticed that the golf course is putting a building around their pump for protection and that is something we should look at down the road to make sure we are not replacing pumps unnecessarily.

THIRD ORDER OF BUSINESS

Approval of the Minutes of May 26, 2021 Meeting

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the minutes of the May 26, 2021 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Consideration of Proposals

A. Pool Area Sod Enhancement with Yellowstone Landscape

Mr. Porter stated this proposal is to remove shrubbery on the black fence, install some sod.

Mr. Viasalyers stated we went around and looked for troubled areas and for aesthetics we came up with adding sod in there instead of having mulch or hardscape, it was a much more economical approach and we thought it would be beneficial long term. There is an area behind the pavilion that every time it rains the mulch gets washed up and we want to add sod there as well. All of that is included in the proposal. It is a one-time cost and no addition to the service contract to maintain it afterwards.

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the proposal from Yellowstone for pool area sod enhancement in the amount of \$1,482.72 was approved.

B. Irrigation Pump #2 Replacement with Yellowstone Landscape

C. Electric Motor Replacement with A+1 Electric Motor & Pump Repairs

Mr. Viasalyers stated we recommend staying with our current vendor and we had a request to get a second proposal to make sure we were getting get comparable prices and we have another proposal from A+1 in the amount of \$8,232 for new or \$4,300 for a rebuild. We don't recommend a rebuild because there is no warranty. The last time the pumps were rebuilt was by DR Horton in 2018.

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the proposal from Yellowstone for irrigation pump #2 replacement in the amount of \$8,493.38 was approved.

FIFTH ORDER OF BUSINESS

Consideration of Revised Amenity Policies

Mr. Torres stated we had two supervisors at separate times work with staff and Heather can highlight the changes.

Ms. Chambliss stated there were a lot of things I wanted to clarify and I added some new definitions. I wanted to clarify what a service dog was; what the wet deck is around the pool. A lot of the other things were small such as I changed activities director to amenity manager. We had in the budget that we could start charging when people lose their cards but that was never approved so I added that in, they get two cards free after that we are going to charge \$10 per card. I added new forms. The forms that were in the original policies are not the forms we use for the key card, the forms for the rental and now I have clubs fill out a form so they understand when their club is having an event, they are responsible for whatever goes on just as when you rent the facility. They are not being charged but they are still responsible for cleaning the facility. I added activities that are prohibited in the building because we have had people playing with balls, kicking them around and that could damage things and it was never stated anywhere so I wanted to clarify that for everyone.

Ms. Buchanan started our office has reviewed them and I think we have a public hearing set for adoption.

Mr. Torres stated at the same time as the budget so we can adopt the fees. The fees are set in a range, even though the rules say what they are so we can adjust.

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the revised amenity policies were approved in substantial form and will be formally adopted at a public hearing on the same date as the budget hearing.

SIXTH ORDER OF BUSINESS

Discussion of Fiscal Year 2022 Proposed Budget

Mr. Porter stated we approved a proposed budget that will be adopted at a public hearing at a date we set today. Ernesto has gone into it in more detail and found that the number we had

is not going to work because our water and electric bills are higher than the initial estimate. We are growing, adding more streetlights, the facility is relatively new and we have a little more history on it now and that kind of thing. We need to approve a new number today to replace the one we had and we will have a new date and time for the public hearing where we will actually adopt the budget and that adopted amount is what will end up on your tax bill.

Mr. Torres stated there are a number of line items that we historically have underfunded. Some were by design but last year we kept assessments level we didn't want to raise assessments after having raised them in 2019. Also the way we utilize staff, we have the engineer and District Counsel services that we pay based on the tasks they perform and matters have come up with property conveyances and the engineer inspected our stormwater drainage system and swales. There have been some small fees but mainly it is the electric and water. The other underfunded items are repair lines, we have had irrigation repairs and pump repairs. Just to get the budget to the right level it is going to be a substantial increase and not doing it would put the District at risk.

Mr. Porter stated in the long run if we underfund and don't do what we need to do it is going to cost us more. We have a lot of money invested in the amenity center and we have to take care of it. We are talking about \$20 a month more than we had originally.

A resident stated I talked to Ernesto and he addressed some of my questions. You have been pretty thorough, there is not a lot of wiggle room. You mentioned engineering and because your costs were up this year 150% you are budgeting next year to have that same level of cost, you are going up to \$9,000 even though you may not have those increases.

Mr. Porter stated one of the things that happened that cost us extra in engineering is the Water Management District changed the way they are looking at all of our wetlands and mitigation areas and so forth and they sent us a letter saying we are not in compliance and we are going to have to address that. They have started on it, but they are not finished and we are going to spend more on engineering this year.

A resident asked you are expecting that to be a recurring cost from this point forward.

Mr. Porter stated not every year but until we get this settled it is going to be more. If we assess \$100 a year more than we spend, that money stays in the general fund and rolls over to next year's fund. It is not like we budget and collect it means we have to spend it, we won't

spend any more than we have to and if we save any of that it means the following year we won't need as much money.

A resident asked does D.R. Horton pay for overages?

Mr. Porter responded no, D.R. Horton pays the same amount that everybody else does. The way it worked with deficit funding is that Horton would get to save on what they are paying. Horton is paying the same amount on every one of their future lots, which is 600+ as you are paying on your lot.

A resident stated insurance for the general fund is up 5%, amenity center insurance is up 13%. Have you sought any other bids? It is common in the corporate world to rebid every two years.

Mr. Porter stated unfortunately there are a total of two insurance companies who will write policies for a CDD. One is about 50% more than the other.

A resident stated the electric is a big jump. FP&L is in the middle of three-year increase in rates it is only going to get worse. It is important to look at ways to reduce our electric bill such as the pumps on the fountains and look for areas to install timers to reduce the electric consumption.

Mr. Barnes stated we had a complaint from a resident who fell on the sidewalk around 126 Grand Reserve Drive. They fixed the sidewalk and identified that there was potentially a deficit in the lighting there. I contacted FP&L and they said in order to upgrade our lights to LED they would have to replace all the lights and poles. When they investigated they found that we still owed \$58,000 on the light poles. In addition, we were a year in arrears on our electric payment for the poles, which was about \$902 per month. That was taken care of immediately, it was an oversight and we will make sure it doesn't happen again. If the original builder signed the contract to put in the lights and paid for the installation of the lights, once they declared bankruptcy and it went to SunTrust Bank in 2008, why wasn't that contract part of the bankruptcy. That should be explored to see if we do or do not owe the \$58,000. They are not moving forward with upgrading the lights until the poles are paid off.

Mr. Porter stated the neighborhood was developed before we had the downturn in 2007 and the developer did the first phase of 150 lots before he went broke, but there were only 6 houses. The developer went broke, SunTrust had loaned them the development money, Oppenheimer had bought the bonds and Oppenheimer foreclosed on the bonds with the original

developer and took the property back. Horton bought the land from Oppenheimer so there is nobody around that was involved with the original developer and I'm not sure he is alive so there is not a lot of history available to us. There will be some things that come up such as a mistake long ago with the Water Management District that we thought was solved and based on our engineer it is not. To some extent there is a discovery going on of little things such as FP&L was missed.

A resident stated we are in the City of Bunnell and all the other streetlights are paid by the City of Bunnell. Is there a statutory clause that requires the CDD to pick up the electric bill for our streetlights? Can we approach the city about picking up the cost of the electric bill?

Ms. Lambert stated we have a public road that a lot of the public use.

Mr. Porter stated I don't know that the City of Bunnell is picking up all of them or if that is what they did in other developments.

Mr. Barnes asked do we understand which roads the city owns and which roads the CDD owns, which roads are owned by HOAs? Then we can understand and evaluate who is paying for what. I did some research on getting the roads that are not turned over to the city, turned over to the city and what that is going to take. It is going to take an engineering evaluation and repair of some of the roads. There is a lot of damage to the roads done by trucks bringing in dirt, significant potholes, and the city wants to see the roads repaired prior to the having them turned over to the city.

Mr. Porter stated I would expect that and Horton will work on that when we get to that point. When we first got started at the District, we had staff working on trying to get the roads turned over. I want to say the main road was the city's the other roads were not and they ought to all be the city's.

Mr. Barnes stated the roads in Phase 2 went directly from D.R. Horton to the city. Phase 1 roads went from D.R. Horton to the CDD. That shifts the burden of repair of those roads to the residents prior to transfer to the city. The repair of the roads should be covered by D.R. Horton.

A resident asked what about gated communities?

Mr. Porter responded a gated community is maintained by the homeowner associations. The CDD does not spend any money on it and neither does the city.

Ms. Lambert stated the streetlights in the gated communities are CDD. Certainly, the streetlights on Grand Reserve Drive and Grand Reserve Boulevard we surely have a case to put to the City of Bunnell to help offload some of this huge increase.

A resident stated I doubt the city would agree to pay \$14,000 but I don't think we would be out of line to suggest that the City of Bunnell contribute to the cost of lighting the main road.

Mr. Porter stated I agree with you. That is not something we can do as part of the budget right now. Let's try to focus on the budget.

A resident stated lake maintenance is up. Do we have more lakes coming online?

Mr. Viasalyers stated there will be more lakes at some point. This is assuming the lakes that we are expecting to be conveyed for 2022.

A resident stated the golf course isn't adding lakes and I suggest that you talk to them about increasing their contribution to the maintenance of the lakes.

Mr. Viasalyers stated they do a cost share already.

A resident stated we have a lot of repairs that we didn't expect at the amenity center. Do you think the \$20,000 is going to be the figure going forward or are we just putting that number in there in case we have another pool leak? Did we get reimbursed for the repair of the pool?

Ms. Chambliss stated we haven't gotten reimbursed by the water company yet because we are doing multiple tests first. Once we are done with the tests and verify everything is good they are going to reimburse us. We can only get one reimbursement a year and I don't want to do that until we are sure that everything is fixed.

A resident asked was the repair covered under a warranty?

Mr. Viasalyers stated no, that was almost two years at that point.

Ms. Lambert stated I sent an email when it was under warranty that the pool was leaking. I have no proof but the state of the pool.

A resident asked what was the cost of the repair?

Ms. Chambliss stated it was \$7,800.

A resident stated I can't find anything in the budget, but I complained about it last year. We spend \$4,000 for Christmas decorations and for the past two years I have been very disappointed with the result of that \$4,000. They were up for three weeks and didn't work half the time. We would be better served if you set aside \$1,000 or \$1,500 to buy permanent

Christmas decorations, we can set up a committee of volunteers that would hang wreaths at the entrance but spending \$4,000 for Christmas lights for three weeks seems a waste of money.

Mr. Porter stated if we have a way to save money that is wonderful. If we have people here who will store the wreaths and put them up, that is great. We have the money in the budget and we can decide what we are going to do this year if you or your neighbors can say here is what we can get, great. We will get the CDD to write a check to Home Depot or wherever, that is great.

Ms. Lambert stated I'm hoping we can save some on the water. We discovered the 100 entrance was using a lot of water for some reason.

Mr. Porter stated what we are trying to do right now is approve it so we can advertise it and mail out the notices and when we have the public hearing, we can adjust any line items we want to, but we have to get the process moving so we beat the tax collector's deadline.

Mr. Torres stated to Gail's point we will have about two months of new water bills so we could possibly make an adjustment down, but let's wait to get that data before we make those changes.

Mr. Porter stated we try to advertise the high number and if there are line items we can cut down, we can do that.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2021-06
Amending Resolution 2021-05 and Setting a
Public Hearing**

Mr. Torres stated I'm looking at early September and that gives the Central Florida office time to process it.

Mr. Porter stated it is very important that everybody make it for that because it is our only chance to adopt the budget and get it to the tax collector.

Mr. Torres stated we will cancel the August 25th meeting and move it to September 7, 2021.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor Resolution 2021-06 setting the budget hearing for September 7, 2021 at 6:00 p.m. at this location, was approved.

EIGHTH ORDER OF BUSINESS

**Review and Acceptance of Fiscal Year 2020
Audit Report**

Mr. Porter stated every year we are required to have an audit and they have found no problems and it is a clean audit.

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the Fiscal Year 2020 audit was accepted.

NINTH ORDER OF BUSINESS

**Discussion of Authorizing Residents to Plant
Trees Along Pond Banks**

Mr. Porter stated we discussed this before and the problem is twofold, one is if there is ever a problem with the pond the District has to maintain it and the other is since the District does the mowing, we have to be able to get the crews in so we can't have anybody plant stuff that gets in the way.

Ms. Lambert stated I wanted to bring it up again and I do think it is beneficial to allow trees to be planted by the pond and riverbanks. In talking to William today the pond behind Sandwedge is absolutely beautiful and when this was landscaped this street constructed, they left the trees and just tidied it up and it is beautiful. I don't think we have any problem with the water or anything. In the original phase everything has been ripped out, which we have discussed, but if we do allow some trees, not landscaping, shrubs and flowers, which would cause an issue but to be allowed to plant a few trees around the ponds will help with erosion, algae and it can shade the water, which will also help the quality of the water and that will help the wildlife, fish, birds, the otters. I have seen an otter in the pond and I would hate to see it go. I think it will improve the aesthetics of the original phase, which looks very bare and barren and the grass isn't growing.

Mr. Porter stated I don't have an objection conceptually, but if we are going to do this there are several things we need to do. One, anybody who wants to probably needs to sign a binding agreement that they are going to maintain it and they are going to remove it if the tree dies and they will take care of the grass around it. Our landscaper is going to be on a riding mower and if he tries to get next to the tree inevitably he is going to end up clipping the bark and damaging the tree. He is not going to want to be responsible. I don't want to have to pay him to replace trees if he gets too close to them. I expect if the homeowner wants to plant trees he is going to first leave a wide enough path for a riding mower to go by without slowing down with

the understanding that the guy is not going to get closer than about five or six feet from the tree and maintenance inside of that area is going to be the responsibility of the homeowner. If they want mulch the mulch is going to be their responsibility. If the tree dies the tree is going to be their responsibility, picking up limbs when they fall and raking is their responsibility. If we can do that so that everybody in here is not paying for somebody else's trees then I don't mind it personally.

Mr. Lambert stated which is what we said when we discussed it in January, nobody seemed to object but it was discussions outside the meeting with staff who decided it wasn't worth the effort.

Ms. Buchanan stated I think the engineer had concerns that it would disrupt the sheet flow into the ponds if there were barriers.

Mr. Porter stated I'm not concerned about that. There will be no grading when you dig a hole and there is leftover dirt it has to be hauled off. You can't do anything that blocks it but the actual tree itself shouldn't make a big effect, but we would not accept any responsibility for problems with erosion, drainage and the rest of it. If you want to do that you have to assume full responsibility for whatever it may cost. It is not fair to ask everybody else to pay a thing. As long as we are willing to do that and everybody does that in writing and it probably needs to be something we record because if you do sell your house the new homeowner coming in needs to be aware of that being his responsibility. We are not going to take out a tree because you sold your house. If we have to prepare a document and record it then it should be up to the person who wants to plant a tree to pay for that.

Mr. Barnes stated there would have to be consideration of neighbors of anybody who is going to put in a tree. I found that any time we do something at all, some people are happy, some are unhappy. There are people concerned about their view, if they bought a home on the golf course they want to see the golf course. The type of tree that goes in you will want to make sure it is something that is not going to be like a magnolia tree with the large growth. There has to be some thought as to what type and how they are placed and if it is objectionable to the neighbors before you move forward with it.

Mr. Torres stated there were a lot of reasons when staff considered it that we recommend that you not approve a policy. It is the Board's decision and we will adjust but there is a lot of value in the discussions we have had on cause and effects.

Mr. Barnes stated maybe make it part of the public hearing as well.

Mr. Dearing asked would any trees or anything that would be planted on a pond bank be considered part of the stormwater management system that would have to be approved by the Water Management District?

Ms. Buchanan stated that is why I questioned about the flow being a concern of the engineer.

Mr. Dearing stated I don't think realistically it is going to have much of an impact on the flow, but the installation itself would be problematic.

Mr. Porter stated the District won't care, it is on a bank and if we don't change the grading on the bank it won't be a problem.

Mr. Dearing stated my thought process wouldn't be so much the fact that there is now a tree on the bank but how did it get there and what impact did that installation cause.

Mr. Porter stated as long as we don't change the grade, I'm not real worried about it. Then you get into the question of a tree like a magnolia that drops those big leathery leaves some of them are going to land in your yard some are going to be in the pond and some in other people's yards.

Mr. Amans stated as long it is above the highwater mark that should not be a concern to the Water Management District.

Mr. Porter stated if you are at least five-feet from the edge of the normal water then you are not going to impact anything. What does the Board want to do? I think it is an awful lot of work.

Ms. Lambert stated since we haven't got any money anyway I guess we leave it. I will put it right inside my property line.

Mr. Porter stated no one would object to that. We will table that for now.

TENTH ORDER OF BUSINESS

Ratification of Data Sharing and Usage Agreement with the Flagler County Property Appraiser

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the data sharing and usage agreement with Flagler County property appraiser was ratified.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

i. Update on SJRWMD Correspondence

Mr. Amans stated person at St. Johns River Water Management District's we were in touch with is no longer with St. Johns. We are trying to coordinate and figure out who else we are going to work with. We did reach one of the division leaders and we get the sense that he understands what's happening and he is willing to cooperate to reduce the amount of work that would have to be done. We are continuing to work with them to come up with a plan, again, minimizing any easement adjustments and essentially using some planting plans to address their main areas of concern. We will continue to do that, we will have a plan that will be agreed upon and then we will present it to you as soon as we can get in touch with the right person on their end and they agree.

Mr. Porter stated at the last meeting the Board delegated to me the responsibility to work with you on this. As you get some information put together contact me directly and you and I will work on it and get something before we come back to the Board.

Mr. Amans stated that was my intent and that will be our next step.

C. Manager

I. Approval of Check Register

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the check register was approved.
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2. Balance Sheet and Income Statement

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

3. Amenity Manager's Report

Ms. Chambliss gave an overview of the amenity manager's report and asked if it were possible to sell some outdoor furnishings and put the proceeds towards the cost of a replacement TV.

Ms. Buchanan stated you can do that but you have to declare it surplus then publish a notice.

Mr. Teagle stated you maybe want to look into a protective case and buy a regular TV and replace it every few years rather than replace it with another outdoor TV.

Ms. Chambliss stated I will look into that.

Mr. Teagle stated reach out to Alpha Dog because I believe they have a box they use for that purpose.

4. Field Manager's Report

Mr. Viasalyers stated the 100 entrance fountain was down, we drained it this morning and will come back Friday weather permitting, paint the letters, paint the EFIS and do some repairs. We are working with Yellowstone to reduce the water supply line because it is too high and replace the pipe.

TWELFTH ORDER OF BUSINESS

Audience Comments

Mr. Barnes stated I was working on a number of items that did not get completed that I would like to raise for follow-up later. No parking signs for the CDD areas where people are parking and we decided not to tow. The city put up the signs for the golf carts. The swale on Lakeside was supposed to do the odor control.

Mr. Viasalyers stated I got the product in, I'm waiting for the vendor to apply it.

Mr. Barnes stated then we have to query the residents and see how effective it is. There is an issue with watering the rest of the facility here because of the grading. There are some storm drain issues, we had two rooms that had water come in. We also have a problem with water blowing into the area back here that needs to be addressed before we start getting some serious damage.

Mr. Porter asked will you give that list to William? I appreciate how hard you worked on this stuff and I don't want it to go to waste.

Mr. Barnes stated I haven't had time to prepare one.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests

A resident asked how do you fill the vacancy on the Board?

Mr. Porter stated if you know someone who would like to be on the Board have them send Ernesto a note saying they are interested and maybe send us a resume why they think they would add value to the Board.

Ms. Chambliss stated I can send something out by constant contact email to everyone letting them know.

Mr. Porter stated that is good and we will appoint someone at the next meeting.

FOURTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the meeting adjourned at 4:07 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman