

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, November 17, 2021 at 6:00 p.m. in the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

Mark Dearing	Vice Chairman
Gail Lambert	Assistant Secretary
David St. Pierre	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Katie Buchanan	District Counsel
Peter Amans	District Engineer by telephone
Heather Chambliss	Facility Manager
William Viasalyers	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Torres called the meeting to order at 6:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Barnes asked have we done a formal RFP for landscape and have both companies submitted formal proposals?

Mr. Torres stated this is not a formal request for proposals. This is unsolicited, Supervisor Lambert is the one who reached out to them and they provided that information and it is on the agenda for discussion.

Mr. Barnes stated I presume that prior to a decision being made at some point a formal RFP will go out.

Mr. Torres stated we could go in that direction, but this was not a Board directed proposal.

November 17, 2021

Deer Run CDD

A resident stated I'm not sure this is the time I would voice concerns about the landscaping service. On more than one occasion I have spent my own time picking up garbage on the entranceway on 100. One day I spent half an hour without really trying and picked up four bags of garbage. The landscaping company is getting paid and this is their responsibility to pick up the garbage.

Mr. Torres stated if you let a staff member know those kinds of things, we will make sure the contractor gets that information.

A resident stated I talked to Heather about it, she sent pictures out. Today I watched the landscapers drive by the garbage and they didn't pick it up.

Mr. Torres stated I will ask William to address that comment during his report since he is the one that manages the landscape contract.

Ms. Mars stated at the last meeting someone brought up there was a case of water in the container on Grand Reserve and it said it would be taken care of, but it is still there.

A resident stated I see you have a surplus of \$25,848 in the general fund. What happens to that?

Mr. Torres stated it wasn't really a surplus, if you see where the funds came from in the revenue section there was \$60,000 was contributed by D.R. Horton.

A resident asked do you end the year with any extra money to carry over to the next year? There was discussion in the community last month about what happens to the revenue generated by facility rentals at the amenity center. I presume this \$1,803 in miscellaneous income was money earned through rentals.

Mr. Torres stated to answer your first question, there is no money left. Your expenditures are more than what you budgeted. You budgeted \$571,000 the District spent \$599,000.

A resident stated I'm trying to get to the \$25,000 excess revenue.

Mr. Torres stated that is our cash that goes into the operating account.

A resident stated I know Corey Enterprises made this proposal unsolicited. I was surprised the difference was only \$1,800. I'm not sure we should consider changing contractors to save 1.2% of an annual contract.

Mr. Torres stated I'm not sure there is a savings until we look at it and William has comments about that.

November 17, 2021

Deer Run CDD

A resident stated we need to look closely at our contract. It calls for annuals four times a year and I think we need to look at perennials that don't need to be replaced four times a year.

Ms. Lambert stated we asked Corey for an apples-to-apples proposal, but we were already in discussion with Yellowstone to mitigate some of the expenses by eliminating the annuals.

A resident stated the cost is going to be close to the same no matter who we get to do it. The only way to save a significant amount of money on the landscaping contract, which is almost \$142,000 is to significantly change the specifics of the contract. I also question the installation of mulch, fence line cleanup, a lot of services that Yellowstone provides and I don't know if we pay extra for that or not. If we hire somebody else and only save 1.2% it doesn't make sense to do that unless we get an overwhelming number of complaints. I don't see that their service has diminished to the point that we should hire someone else to say 1%.

Is Applied Aquatics the same company we use now?

Mr. Torres stated yes.

A resident stated that is a good savings. Are we changing the level of services?

Mr. Viasalyers stated we are truing up all the addendums over the years so I put them all together.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the September 7, 2021 Meeting

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the minutes of the September 7, 2021 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2022-01 Budget Amendment

Mr. Torres stated there are some slight adjustments to the budget lines, the District overspent and requested a \$53,195 contribution from D.R. Horton, which is listed under revenues. Some lines came in under or over budget and we want to amend the budget to account for that.

November 17, 2021

Deer Run CDD

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor Resolution 2022-01 was approved.

Engineer's Report – Update on SJRWMD Correspondence

**The next item was taken out of order.*

Mr. Amans stated we are doing some coordination with the chair and District Counsel to get a memo approved to further coordinate with the water management District. If you have any questions for me or if there is anything you would like us to come out to inspect let me know.

Mr. Torres stated I attached the document and also sent them to Bob, but I know he was the point to work with the District engineer in this matter. I would like to give him the opportunity to review that work authorization and then move forward.

Ms. Lambert stated I believe the main consideration is the golf course not doing what they should. Why are we footing the engineer's bill for that?

Mr. Torres stated the areas identified belongs to the CDD. We have not determined that it was a violation by the golf course yet. We are working with the District and we are incurring some costs. At the end we can true it up with the golf course on staff's time.

Ms. Buchanan stated we did open a new matter so it is billed separately from your normal general counsel representation so we can identify the specific costs attributable to this.

FIFTH ORDER OF BUSINESS

Consideration of Landscape Maintenance Proposal with Corey Enterprises Lawn & Landscape

Ms. Lambert stated Bob Barnes started all of this and we wanted an apples-to-apples comparison because it is a very large amount and we wanted to ensure that the pricing was in line with what we should be paying. We have had several complaints and we were not entirely satisfied with the work they were doing. Corey Enterprises was an obvious choice because they are local and service a large residential area. We gave them the budget figure of \$141,900 and since then the new contract with Yellowstone brought the maintenance down to \$130,000. It was a little unfair to Corey because they based it on what they thought we were paying and based on the figures we will probably have to stick with Yellowstone. I asked William to give me comparables on the extras such as palm tree pruning, pine straw and things because I didn't have an updated quote on those. The pricing is higher but to me it was more about satisfactory

November 17, 2021

Deer Run CDD

service. I'm not satisfied with the service from Yellowstone, but we should stay with them because we cannot afford the extra amount.

Mr. St. Pierre asked how many more companies of Corey's size are out there?

Mr. Viasalyers stated not a lot. That was one of the difficulties when we approached this and we were lucky to find one of that size with Corey.

Mr. St. Pierre stated we need to become more vigilant with the end product, the garbage and everything else they are not taking care of, which seems to be the biggest complaint.

Ms. Lambert stated I will get back with Corey and explain the situation and maybe a few months down the line we can think about doing an official RFP.

Mr. Torres stated if we are going to do that, I would advise the Board to bring it in at the same time we are preparing the budget for the next fiscal year.

SIXTH ORDER OF BUSINESS

Consideration of Aquatic Plant Management Agreement with Applied Aquatic Management, Inc.

Mr. Viasalyers stated this is to true up all the addendums and put them into one contract and agreement and we also added two ponds that are in the back.

Ms. Buchanan stated this is for an 11-month term. Are we going to pick it back up for 12 months starting next year?

Mr. Viasalyers stated yes when we renew the contract in September or October.

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor the agreement with Applied Aquatic Management, Inc. in the amount of \$2,090 monthly was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Berger Toombs Elam Gaines & Frank to Provide Auditing Services for Fiscal Year 2021

Mr. Torres stated next is consideration of an agreement with Berger Toombs Elam Gaines & Frank to provide audit services for Fiscal Year 2021. The audit committee recommended Berger Toombs, the Board approved that recommendation and this is the engagement letter.

November 17, 2021

Deer Run CDD

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor the engagement letter with Berger Toombs to perform the Fiscal Year 2021 audit was approved.

EIGHTH ORDER OF BUSINESS

Ratification of Transition Letter by Hopping Green & Sams, P.A. and Kutak Rock LLP

Ms. Buchanan stated after more than 40 years Hopping Green & Sams is no longer providing legal services. Our practice group that does community development Districts throughout Florida plus our paralegals and legal assistants are all moving to the new firm of Kutak Rock. It is not me breaking away by myself, it is our practice group is now going to operate under a different letterhead. The terms of your current agreement aren't changing, the only thing that is going to change is the name of the firm providing the services. Kutak Rock is a national firm where Hopping was a statewide firm and it has more than 600 lawyers and does a fair amount of public financing, bond work as well as special District work.

Ms. Lambert stated as Board members, this is the first we heard of this. Should we not have heard a bit before?

Mr. Torres stated as always we bring it to the meeting for ratification to have this discussion. Outside the meeting I did contact the chair and he was aware of it. If there is a majority consensus that there is a problem with this action then we can exercise other means.

Ms. Buchanan stated I think in this particular instance Ernesto was also operating under the advice that we gave him that there is very minimal risk in accepting this transition for three weeks. If you at any point aren't satisfied with Kutak Rock, similar to the way if you were not satisfied with Hopping Green & Sams we are terminable at will. He is not committing to a long-term engagement, he just wanted to make sure that there was coverage of the gap.

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor the transition letter was ratified.

NINTH ORDER OF BUSINESS

Discussion of Street Lights

Ms. Lambert stated at the last meeting we brought up that we were concerned about the cost from last year to this year of the streetlights, a total of \$75,000. None of us seemed to be aware because it was underfunded in the budget. One of our problems is the original 24 streetlights, which is in the original phase, and I believe is under a purchase agreement with the

November 17, 2021

Deer Run CDD

CDD and the original developer. The original developer never paid any bills and there was a debt of \$60,000 to pay back and we have a debt that we are paying back at a little over \$900 monthly until 2028. They are not LED and not as economical as the new lights, but there is nothing we can do about that until the debt is paid off. All the newer lights are under a lease agreement at a fixed price so even if you see one burning 24/7 it is not going to cost us anymore. We should report a light that is not functioning correctly. It is a fixed price for the leased lights that have all been installed by D.R. Horton in the development. There is currently a total of 124. I discovered that D.R. Horton estimated 124 in total for the development, but we still have phases 3, 4, and 5 to have lights installed. Phase 6, which is along Grand Reserve Boulevard the lights have already been installed and I was told they were installed because they had to create a loop to the new phase. I was also told that the position of the streetlights, the rule of thumb is every 300-feet. The ones on Grand Reserve Boulevard are around 200 feet apart and the ones here are 150-feet apart by the amenity center and all the way to the golf course.

What I want to do but unfortunately, it would cost is to relocate some of these lights because I think it is excessive. I have been back and forth all day with D.R. Horton about this because they don't think it is excessive. If the estimate was supposed to be 124 streetlights for the whole development, it is going to go way over that. We don't want to spend any more money so what do I do about getting someone to consider relocating some of those streetlights to use in the new phases?

Ms. Buchanan stated my first recommendation is to have Horton double check that there are truly only anticipated to be 124 streetlights in the entire community. I agree that came straight from Joe but I think we might want to confirm that.

Mr. Dearing stated there should be an improved streetlighting plan for each development and that would be approved by FP&L. They choose the location of where the streetlights go. The approved engineering plans should have the streetlight locations as well as approved by FP&L.

Ms. Lambert stated an email I received today says they don't have any.

Mr. Torres stated let me work on getting those documents and we will add the discussion to the next agenda.

Mr. Dearing stated I was not familiar with a lot of this but I think there is a lot more digging than needs to go into this. I can tell you based on the phases we are in, there are going to

November 17, 2021

Deer Run CDD

be more than 124 streetlights. Separately, the cost of relocating some existing lights would be incredibly cost prohibitive.

Ms. Buchanan stated in St. Johns they wanted to relocate some of those and the cost to move a pole was between \$8,000 and \$15,000 per pole.

Mr. Dearing stated then it will end up in front of somebody's house that didn't have it before and they are not going to want it and opens up another can of worms.

Mr. St. Pierre asked how much savings can we anticipate from the 24 that needs to be converted after they are converted?

Mr. Torres stated I don't know.

Mr. St. Pierre stated the reason I asked is we agreed to pay the debt until 2028.

Ms. Lambert stated I sent Katie an email asking why we are responsible for that debt from a bankrupt builder.

Mr. St. Pierre stated we have come to terms with the debt, we are paying the debt. We made a contractual obligation to pay the debt, I don't see why we have to wait until 2028 to get the conversions taken care of. Can we address that?

Ms. Buchanan stated we can but I do want to make sure I understand. I'm not entirely sure that "debt" is the right way to phrase it. I am not sure it is something that is paid off and then done and I don't know that we own them at the end of the term. I also want to point out that in October 2010 this agreement was actually signed by the CDD not the prior developer.

Ms. Lambert stated it was the prior developer who was chairman of the CDD at the time.

Ms. Buchanan stated I understand but it was the District that signed it.

Mr. Dearing stated I think we need to table this and look into it further.

Ms. Buchanan stated yes and you can help get Joe to focus on it.

Mr. Torres stated I think having the engineering plans will be helpful.

Mr. Dearing stated we can also have the engineer participate.

Ms. Buchanan stated we have done this in other Districts and it is incredibly frustrating, it is very hard to track down all the records and figure out the where's the why's and how's.

November 17, 2021

Deer Run CDD

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

i. Update on SJRWMD Correspondence

This item taken earlier in the agenda.

C. Manager

I. Approval of Check Register

On MOTION by Mr. Dearing seconded by Ms. Lambert 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

Ms. Chambliss stated we were supposed to have a janitorial company come in and clean the amenity center. They were here for three weeks and these floors were absolutely disgusting. I documented it and we decided we had to go with a new company. Starting November 1st I found a company that would stay within our budget and they have been doing an amazing job.

I do have new handles on the outdoor bathrooms for security reasons. When I'm not here I am going to start locking them because earlier this year some kids jumped the fence and destroyed the bathrooms.

I have started to document and keep track of how much money we have coming in from rentals and since October we have made \$800. We have new classes that have started. The firepit is broken and I'm trying to find the parts and have a company come out and fix it.

Ms. Lambert stated at the last meeting someone mentioned looking at the TV contracts and shop around because we are paying \$400 a month.

Ms. Chambliss stated I have investigated a little bit and called Spectrum but they cannot provide us with the services we get through Direct TV. They could help us save a buck or two

November 17, 2021

Deer Run CDD

with our internet, but they said they couldn't give us what Direct TV gives us. They can't give us the NFL package.

4. Field Manager's Report

Mr. Viasalyers stated we did have an 8-foot gator removed from behind 648 Grand Reserve Drive. I want to thank Gail for her efforts she put forth on the landscaping. We stopped putting annuals at the entrances and are going to replace them with perennials and that will help save roughly \$2000 a quarter. There will be an initial cost to pay for that but that will come out of the current approved budget for landscaping. We should eventually see \$6,000 to \$8,000 savings per year.

There was an issue with the irrigation at the pool and Yellowstone incurred that cost for the additional irrigation because it was an oversight on their end. It was about \$2,000 labor and materials and they also incurred the cost for all the erosion issues underneath the dock and on the other side of the bocce ball court as a show of good faith for all the issues. We ask if you take picture when you see trash and send them to us we will follow-up with them. That is the only way I can make sure they are doing it, by having photos.

We are working on enhancements to some of the entrances and we will bring back proposals for items that are outside their scope of services.

We need to replace the jockey pump for \$821.94 and I suggest we go ahead and approve that and get it going before the prices increase.

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor staff was authorized to replace the 5 hp jockey pump in the amount of \$821.94.

ELEVENTH ORDER OF BUSINESS

Audience Comments

A resident stated on the mailbox in the Links and they are dark you can't see.

Mr. Torres stated we will look into that.

A resident stated I installed streetlights and traffic signals in Boston for 36 years. An average streetlight on any of these streets are 150 feet away. The reason these lights might be sporadically not 150 feet is you don't know what is underneath there. The other thing about relocating lights, I used to operate the hydro crane and it is very expensive to come out and move

November 17, 2021

Deer Run CDD

lights. You are better off leaving them there, it isn't worth messing with. I wondered why the streetlights on some of the properties are closer to the house than the street. When we did our work the streetlight was 18" from the base of the curb between the sidewalk and the curb. I found out that these poles have boxes by them but they are all buried.

Mr. Dearing stated that is all part of a lighting plan that is approved, and keep in mind the right of way is not just the area of the paving, the right of way incorporates the sidewalks also. Typically there is a 50-60 foot right of way but only a 30-foot wide paved road. I would think it should be located further away from the house. I'm taking notes and we will look into that.

A resident stated we were talking about streetlights and other common things. When they build the new subdivisions out here doesn't D.R. Horton make a contribution until they are occupied to help pay for additional lights? Once they start the assessments should jump way up.

Mr. Dearing stated D.R. Horton pays the same assessment that everybody else does on all the vacant lots. There is not going to be an increase in revenue when new homeowners move in.

A resident asked can I get an email to send the pictures to?

Mr. Viasalyers stated yes and you can email me at any time.

Mr. Barnes stated an item that is a real concern to me is turning over the street to the city. We have a road from just past the golf course out to Grand Reserve Parkway that has never been turned over. Instead of going to the city it went to the CDD. We need an item placed on the agenda for the next meeting to identify with the engineer why that road hasn't been certified so the city can take that road. There are also areas where there are potholes in the road and all those have to be repaired before it can be turned over. The city is prepared to take the road, I have spoken with the infrastructure director and they are prepared, the only thing they need is the engineer to certify that the road meets the requirements.

The initial discussion about the streetlights began with a complaint and safety issue where someone walking on the sidewalk fell because of the lack of lighting. The LED lights are significantly brighter than the old lights.

Heather mentioned that there was some vandalism in the building. I want to make sure everybody is aware that the Bunnell police department did apprehend the vandals and they were charged with criminal trespass. It was an outstanding job by the police department.

For consideration when you talk about the landscaping, one of the issues to consider is something we need to discuss with Yellowstone, they have a 24 to 48 hours response time when

November 17, 2021

Deer Run CDD

the irrigation system goes down. Corey is proposing to respond immediately. If we lose irrigation for 24-hours in the summer there is a potential for a lot of landscape damage and it is something that is going to affect property owners significantly.

A resident stated at the last CDD meeting I mentioned the intersection of Grand Reserve Drive and Grand Reserve Boulevard, trees on the corner are blocking visibility. I saw a crew from Yellowstone that did some trimming. I have a picture I took today and although the trees have been trimmed, the visibility is still impaired, you can't see past the tree and stop sign. I recommend the tree be removed especially since in the first quarter there will be new houses down that street and there will be more traffic.

Mr. Dearing stated that is something we can bring up with the engineer because I think the tree is probably a requirement as part of the development plan. The engineer can look into it with the city.

A resident stated we also discussed the idea of whether there should be a three-way stop there. I don't know if there is any progress on that since the last meeting.

Ms. Lambert stated I did email about that and the city is working with D.R. Horton but I will follow-up on that.

A resident stated on the light situation if you go down the street, the new streetlights that have been installed are 24" in some cases from people's houses. If you go to Lakeside the lights are 24" from the sidewalk. It seems like we should have more to say about the placement of the streetlights. The streetlights in my mind should be on the side of the street with the sidewalks not across the street. We need to get more involved in the placement of the streetlights in the future to prevent problems like this.

Mr. Dearing stated I think your involvement is what you are doing right now and that is it. We will look into it further. The placement of the streetlights is accomplished early on with the engineering approvals for the development. It doesn't mean it is correct and maybe somebody had an oversight in something, but I will look into it.

TWELFTH ORDER OF BUSINESS

Supervisor's Requests

Ms. Lambert stated the entrances into the gated communities, there is a little stretch of land and now you say the mailboxes for the gated communities are on CDD property. Would it

November 17, 2021

Deer Run CDD

not make more sense for that little stretch of land leading to the gated community, deeded over to the gated community?

Mr. Dearing stated I think the little islands are supposed to be owned and maintained by the HOA.

Ms. Buchanan stated I have it pulled up so we can look at it after to make sure we understand.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the meeting adjourned at 7:11 p.m.

DocuSigned by:



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Secretary/Assistant Secretary

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Chairman/Vice Chairman