

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 Tuesday, September 7, 2021 at 6:00 p.m. at the Island Club, 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
David St. Pierre	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Michelle Rigoni	District Counsel
Peter Amans	District Engineer by telephone
Heather Chambliss	Amenity Manager
William Viasalyers	Field Manager
Ed Thompson	Yellowstone
Several Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Porter called the meeting to order

**SECOND ORDER OF BUSINESS**

**Audience Comments**

A resident stated the letter that went out has different numbers than are proposed.

Mr. Porter stated at the last meeting we went over the budget and approved another budget and there was a change between what we sent out initially and what we sent out most recently. We will have a budget hearing to go over the current proposed budget in detail a little later.

A resident stated can you explain item 8, consideration of an easement with Bunnell Lodge?

Mr. Porter stated there is a piece of property that belongs to the Masonic Lodge that has no access on a public street because of the way the property lines were drawn. It is in an area where there are no lots and in order to get in and out of the property they need the District to give them an easement.

**THIRD ORDER OF BUSINESS** **Organizational Matters**

**A. Acceptance of Resignation of Robert Barnes**

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor Robert Barnes' resignation was accepted.

**B. Review of Resumes/Letters of Interest**

Mr. Broom, Mr. St. Pierre and Mr. Gutierrez gave an overview of their background and expressed an interest in serving on the Board.

**C. Appointment of Individual to Fill the Board Vacancy in Seat #3 with a Term Ending November 2024**

On MOTION by Mr. Porter seconded by Ms. Lambert with all in favor David St. Pierre was appointed to fill the unexpired term of office.

Mr. Torres being a notary public of the State of Florida administered the oath of office to Mr. St. Pierre.

Mr. Torres went over the package of information with Mr. St. Pierre and Ms. Rigoni went over the sunshine law and public records law.

**D. Consideration of Resolution 2021-07 Electing an Assistant Secretary**

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor Resolution 2021-07 appointing Mr. St. Pierre as an assistant secretary was approved.

**FOURTH ORDER OF BUSINESS**

**Approval of the Minutes of the July 28, 2021 Meeting**

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor the minutes of the July 28, 2021 meeting were approved as presented.

**FIFTH ORDER OF BUSINESS**

**Public Hearings**

**A. Fiscal Year 2022 Budget**

Ms. Rigoni asked will you confirm that the proper notices have been made and you have proof of publication of the public hearing notices.

Mr. Torres stated yes.

On MOTION by Mr. St. Pierre seconded by Mr. Dearing with all in favor the public hearing was opened.

Mr. Torres stated in FY21 the District established an assessment of \$566,820 and that was based on the expenditures from the previous year and also the burn rate of some of the budget accounts. There is an increase of \$8,000 in engineering costs because of some of the issues we have had with the water management district. There was also an increase in insurance, utilities and landscape. There is a column that describes the increase and decrease in the budget line items. Your assessments are recommended at \$720,526, which is about a 21% increase which is significant. This is a growing community and we had some increases in utilities that were not projected correctly, we made the adjustments and going forward we anticipate this is going to be the spot where the District lands for future assessments.

Ms. Lambert stated one that stands out is electric mainly because of the streetlights. We have an agreement for the original 24 and I don't know who has been in charge of all these that have been installed in the last couple years how that passed and the placement of them and we have new phases coming on so there are more coming on and do we need them.

A resident asked do we have any resolution to the FP&L bill that is outstanding from way back? The \$58,000 that is outstanding.

Mr. Torres stated it is paid monthly.

A resident asked have we gotten a firm answer about updating the non-LED lights?

Ms. Lambert responded no, I have reached out to FP&L and haven't had a response, but I will follow-up.

A resident stated when we discussed the electric in July we talked about exploring the idea of the City of Bunnell picking up part of the electric cost. As you move forward with getting the City of Bunnell to assume jurisdiction over the streets that is something that we can reasonably discuss with them since they pay the electric bill for streetlights within the City of Bunnell.

Mr. Porter stated FP&L puts in the poles and does the design for the neighborhood and they decide where they go and typically you get one for every five or six lots.

A resident stated landscape maintenance is going up. Why are we paying more for something that is not being done properly now?

Mr. Porter stated landscaping will continue to go up as the project builds out because there are more and more areas that have to be maintained. They are maintaining the main right of way, the entryway, mowing around the ponds and common areas. As more property gets developed their scope of work is going to increase.

A resident stated they missed our street three times in a row so we are paying for a service we are not getting.

Mr. Porter stated in fairness to our landscaper and this is true with every landscaper around here, we have had an unusually rainy summer. If it is really wet they cannot mow without doing a lot of damage and sometimes they miss places because they simply can't get to them. If you have a spot that didn't get mowed if you contact Ernesto and let him know, he will get in touch with the contractor. If is something like that, don't wait for one of these meetings, send an email to Ernesto and let him know where the area is and what the problem is.

A resident stated I pay an HOA fee and CDD fee. Does the HOA have anything to do with the landscaping because back in the Links there is a lot to be done.

Mr. Porter stated back in the Links, behind the gate in the Freedom section or the Links section, those are private roads and that landscaping is maintained by the HOA. The stuff outside the gates areas is done by the CDD.

A resident asked the garbage the contractors throw into the preserve, who is going to pick that up?

Mr. Porter stated if the builder put that stuff in there then the builder needs to clean it up. I work for D.R. Horton and I will give you my card and send me an email tomorrow and let me

know what area specifically you are talking about and I will get it to the builders and have them clean it up.

A resident stated there is an increase for irrigation repair in the budget. People are confused on the way the irrigation system works. It is my understanding that we still own the irrigation pumps that D.R. Horton put in but eventually when the city starts to charge for irrigation water, they would assume responsibility for those pumps?

Mr. Porter stated D.R. Horton may have paid to replace one of the pumps, but those pumps were put in with the reuse system 15 years ago by the original developer before they went broke.

A resident asked will those costs eventually be assumed by the City of Bunnell?

Ms. Lambert stated from what I understand the City of Bunnell will not take over the irrigation, it will be a CDD cost.

A resident stated the pumps are old and several people have asked me whether we are going to build houses around the golf course pumps or are we going to maintain those pumps and be faced with this expense?

Mr. Porter stated we will have to look into it. We talked about trying to turn the reuse system over to the city and I don't know if we ever got anywhere with that.

A resident stated those pumps are 15 years old, they are out in the open and they are starting to fail and they are expensive to repair. We budgeted \$3,000 for that last year and spent \$18,000. Potentially going forward that would be a big expense for us.

Mr. Viasalyers stated one of the pumps was replaced last year. The other one has been rebuilt and we are getting costs to shelve one the same as the golf course has done.

Ms. Lambert stated the amenity center water and sewer, you recommend budgeting \$30,000 and I don't think we are going to come anywhere near that this year because that was because of all the leaks. Heather is monitoring it more closely than it was done before, I'm sure we will be more aware of it and act on it quicker.

Mr. Torres stated just speaking from the management side to make sure we have enough money in the checking account to pay the bills. I would be okay with maybe \$25,000 in that account. We spent \$18,000 so far, but since we noticed the assessment level anything we reduce, any budget line it would be prudent to put it back in capital reserves instead of decreasing the assessment a couple cents.

Mr. Porter stated with 800 homes \$6.00 a year is not so much.

A resident stated I think you need to finetune every line item to get our costs down.

A resident stated we are adding houses and these people are supposed to be paying the CDD fee how does that not offset some of the stuff in the budget. If you get more people you get more money to pay the bills.

A resident stated I researched this and every lot in this development that is not developed D.R. Horton pays the same CDD fee that you and I do. When D.R. Horton builds a house on that lot and it is occupied by a new owner that expense is transferred from D.R. Horton to the new owner. When they build 200 new houses the CDD doesn't take in any more money.

Mr. Porter stated we are paying a full assessment even if there is nobody there. Let me explain what happens. If we have \$30,000 in the budget and we end up spending \$20,000 that \$10,000 can pay a shortfall if we have a problem somewhere else, if not it is rolled over and stays in the account and goes into next year's account. We don't spend money just because it is in the budget, we spend money because we get bills.

A resident stated when we come in the subdivision or come to the pool, we come through the same entrance, we use the same facilities, the same lighting, gas, electric whatever. We have premium lots that are larger and I understand Flagler County will tax you on the larger lot, but why are we paying more CDD fees when the CDD does not mow my lawn, the CDD does not trim my trees. Why am I paying so much more? It is almost \$7,000 this year with your increase in my taxes.

Mr. Porter stated the assessment methodology was done before the bonds were sold 16 years ago by the original developer. There are typically two ways to set it up, some will do it based on lot size others will do the same regardless of lot size. The way people justify charging more for a larger lot is if your lot is 75-feet and someone else's is 50-feet then your lot is 50% larger than his, and you have more runoff in the storm drain, in the streets the District owns there is more street out in front of it, more pipe that goes in front of it.

A resident stated this is for maintenance and I don't understand why we should pay more and why can't we vote on it being the same.

Mr. Porter stated we could order a new assessment methodology, which typically costs \$10,000 to \$15,000 that the CDD would pay to justify the idea of making everybody the same.

A resident stated the assessment methodology in every state every municipality in the United States is based on lot size. That is how that came to pass here. If you had a vote here and asked everybody to pay the same, how do you think that vote would turn out?

A resident stated there are a lot more smaller lots.

Mr. Porter stated we are not going to change the assessment methodology today.

A resident asked I have a question about the attorney's fee going up \$8,000.

Ms. Rigoni stated that was a recommendation from the District manager. What we do is budget that amount based on what he or the Board anticipates our level of involvement would be but we only bill for what we actually work on. We rarely hit it but it is possible.

A resident stated the CDD is in litigation with St. Johns River Water Management District.

Mr. Porter stated that is true. The water management District entered into a settlement with the previous developer that everybody thought took care of everything. Some of the staff at the water management District changed, they are looking at it differently now and telling us we are going to have to potentially change the way we maintain things or go back and do some replanting. With any kind of enforcement action we end up having our attorneys more involved so we may spend a little extra this year.

A resident asked what is the difference between gross assessments and net assessments?

Mr. Porter stated the tax collector charges us 2% for putting it on the tax rolls and collecting the money and sending it to us. There is another 4% because if you pay it in November, you get a 4% discount. You pay it with your property taxes. Most folks will have it paid through an escrow account with their mortgage company and mortgage companies always pay it in November to take the 4% discount.

A resident asked amenity repairs and maintenance was budgeted last year at \$5,000 and next year it is budgeted at \$18,800. I know there were a lot of things that had to be repaired this year, but do you really think that \$18,800 is sufficient? Perhaps \$13,500 could we shave that by \$5,000? Pool repairs and maintenance we had a big expense there but that has also been increased \$15,000. Can we trim that down some and maybe we can find \$15,000 between the two items? We discussed at the July meeting that we were going to spend \$4,000 on Christmas lights and I suggested that we budget \$1,000 or \$1,500 and buy decorations and set up a committee and put them up and we could save another \$2,500.

Mr. Porter stated we can arbitrarily reduce any of these and if we are lucky that is enough money but if something breaks at the amenity center we need to be able to fix it. Ernesto and his staff spent a lot of time on this.

A resident stated maybe we could shave enough money to make people feel like we chipped away at this a little bit. I think that is what the people here would like to see.

Mr. Porter stated the problem is if we run short of money as we get toward the end of the year we end up having to close down the amenity center for a few days a week or something has to be cut. If we end up with the budget being exactly on that is wonderful, if the budget is a little bit higher than we need then we have that money to reduce what we levy next year. We have put in the amount that the management company thinks is appropriate not padded every line item. If it is more than that we are going to have a problem at the end of the year and if it is less than that then it will help defray whatever expenses may come up that are unexpected and help avoid getting a big increase next year. I think we have considered most of these things.

Ms. Chambliss stated there are things around the amenity that are getting heavily used and we are going to have a lot of maintenance in the near future just because of wear and tear and we are also working on things that I have listed in my manager's report for this meeting that we are going to need money in the future to fix.

Mr. Porter stated each year there will be a meeting just like this and we will adopt a new budget. The majority of the money that gets spent is based on actual invoices or contracts. We have a contract with Yellowstone and a line item for additional stuff when things die. There is going to be a new budget every year. I will not tell you that it is going to come down because they very seldom do.

A resident stated you have a proposed budget but who is doing the bids and checking things out, getting the best prices, actually taking numbers compare them to what you proposed. We are just looking at numbers that we are counting on management to take off.

Mr. Porter stated the way we hired Yellowstone for example is we sent out a request for proposals and had five or six landscape companies that sent us a proposal, the Board ranked them and picked the one that was the least expensive, but we make sure they are qualified. We do shop it; we don't shop it every six months.

Mr. Torres stated we also bid the pool maintenance and janitorial and reduced those two budget lines.



Mr. Porter stated we have a couple things that did come down this year because we shopped them. I work for D.R. Horton and I know there is a certain amount of resistance but we are paying on 500 lots where you are each paying on one. We are paying our share even though nobody is living there.

A resident asked how long was the warranty on the pool?

Mr. Porter stated I thought it was a year.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the public hearing was closed.

**i. Consideration of Resolution 2021-08 Adopting the Fiscal Year 2022 Budget and Relating to the Annual Appropriations**

Mr. Torres stated there was a recommendation from Gail to reduce the water and sewer amenity to \$25,000 if that is agreeable, I will transfer the other \$5,000 to capital reserves. The total amount doesn't change but the distribution of the lines do and I will fix that.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor Resolution 2021-08 was approved in substantial form.

**ii. Consideration of Resolution 2021-09 Imposing Special Assessments and Certifying an Assessment Roll**

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor Resolution 2021-09 was approved.

**B. Rule Hearing**

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the public hearing was opened.

Mr. Porter stated the proposed rules are largely based on input from Heather based on how people are using the facilities and what problems we have seen. Anything specific?

Ms. Chambliss stated they are pretty self-explanatory, there were a few changes throughout the rules and regulations. We are just trying to clarify because some of them were

vague and residents would come to me and not completely understand what the rules and regulations were saying. I went through the policies and rules trying to clarify things and that is the changes I made. I know someone had proposed at one of the meetings about being able to have pool parties. Unfortunately, I do not feel this is a good idea based on the experience I had this past weekend and I'm having a problem with adults watching their children and not drinking and watching their children at the pool. I don't feel that having a pool party is a good idea when you have a bunch of children that don't understand the rules and parents who aren't explaining the rules to them. I have had young adults flipping headfirst into 3-foot water. That is super scary and these kids did not live in the community. Those are the things I tried to clarify so that parents know it is important to follow the rules and regulations.

Mr. Porter stated we are going to adopt rules tonight and they can be changed over time, but each time we want to change the rules, we have to advertise a public hearing. If there is something here that is not working, something you think we need to change because it is inconvenient or doesn't seem fair or whatever, we can certainly make changes.

Does anyone have questions specifically on the rules?

A resident stated we have a 25 mph speed limit and I'm tired of seeing people speeding. We are not enforcing the speed rules. The speed bumps help but we don't have enough of them.

Mr. Porter stated we don't have the authority to enforce traffic laws. If you call the City of Bunnell and tell them it is a problem they will normally send out one of the officers from time to time and they have done it a number of times for us and they have written a number of tickets, which is how you get people to follow the speed limit. We as a Board can do nothing about it.

A resident asked what is the policy with regard to enforcement of rules when our manager is not here? Last weekend there was a problem when children from outside the development came in and ended up in an altercation with people because they were asked, how old are you, where are you from and so forth. I don't think it is my job as a resident to enforce rules. Can we get more people to supervise the pool so we don't have to do that?

Ms. Chambliss stated we are about to start our slow season and the use of the pool is going to die down and I'm working on a strategy for next summer so we will be completely covered and have more staff on property.

Mr. Torres stated I will work with Heather to make sure what she is proposing can fit in the budget we just adopted. It may be a nice ask but it has to fit in the budget.

A resident stated maybe we should not have rentals if we don't have someone to supervise.

Ms. Chambliss stated I'm not having a problem with the people who actually rent it. Sometimes there are incidents where there is a miscommunication or like this past weekend a resident threw a party without consent and without signing the waivers. I'm trying to make sure we put a stop to those kinds of things, but I can only do so much. I send out so many emails I think I have communicated enough. I'm here for you and I'm doing my best to work something out so this community stays safe and that the amenity center stays the way it is.

A resident stated I don't know what the rules say but if someone is trespassing in the pool if staff is not here, the proper thing to do is call the Bunnell Police Department.

Mr. Porter stated absolutely.

A resident stated I called the police department for a non-emergency and it took over half an hour for them to respond.

Mr. Porter stated if we need to have attendants here more often next year when we look at the budget, we can consider that. We have the budget and nobody wanted it to go up as much as it did so this year we don't have the money in there unless we cut out some other line item.

Ms. Lambert asked can I add one thing to the rules that was something through discussion with Heather? We said we would add it tonight. Heather is struggling to keep a handle on renters because she has no contact details because she only has the homeowner's details. I would like to add to the rules that residents shall be responsible to keep the amenity center manager updated with whoever is in possession of the access cards.

A resident asked can we increase the deposit?

Ms. Rigoni stated unfortunately because we advertised the public hearing using the set rates that were discussed at the prior meeting at this meeting we cannot increase it but it is something the Board can consider the next time we update the rules.

A resident asked would having more signs around the perimeter of the pool help?

Ms. Chambliss stated I am researching those now.

A resident stated anyone who lives in the neighborhood needs to be vigilant and watching and taking note. You don't want to confront people. Get the information to Heather and if you see someone letting someone into the pool that has to stop. Kids are letting people in and parents need to be aware of what their kids are doing.

On MOTION by Mr. St. Pierre seconded by Mr. Dearing with all in favor the public hearing was closed.

**i. Consideration of Resolution 2021-10 Adopting the Amenity Policies and Rates**

On MOTION by Mr. Dearing seconded by Ms. Lambert with all in favor Resolution 2021-10 was approved.

**SIXTH ORDER OF BUSINESS**

**Consideration of Fiscal Year 2022 Budget Funding Agreement**

Mr. Porter stated this is basically an agreement between the District and Horton where if some unexpected expenses come up and we run out of money before the end of the year, Horton will send the District some money.

Mr. Torres stated we have had this agreement in place for a few years now and each year we have had to exercise the agreement. We are hopeful that with this budget to avoid that for next year.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the Fiscal Year 2022 budget deficit funding agreement with D.R. Horton, Inc. – Jacksonville was approved.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Landscape Maintenance Agreement with Yellowstone Landscape**

Mr. Viasalyers stated in the contract there is a 30-day termination clause and the Board can go out for a different vendor if they are not happy with them.

Mr. Porter stated this new agreement is the amount in our budget, right.

Mr. Viasalyers stated yes.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the landscape and irrigation maintenance agreement with Yellowstone Landscape was approved.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Easement Agreement with Bunnell Lodge**

This item tabled.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Ms. Rigoni stated I have a couple administrative items that I brought hard copies for you. First, is the waiver and release of liability form for volunteer services. Ernesto has mentioned that we have had a lot of residents who have expressed interest in volunteering for various services such as holiday lighting and things like that. This general form basically asks every volunteer to sign to agree to waive and release their liability against the District. With volunteers we are not going to ask everybody to meet the insurance requirements that we would typically require of licensed and insured vendors.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the waiver and release of liability form for volunteers was approved.

Ms. Rigoni stated there is a short form resolution 2021-11 that changes our registered agent. The prior person who was the registered agent for the District is no longer with the firm and we are switching it out to Katie.

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor Resolution 2021-11 was approved.

**B. Engineer**

**i. Update on SFRWMD Correspondence**

Mr. Amans stated we made more progress in our conversation with the District and we are directing a memo that we will be forwarding for review to the Board, once it is finalized.

**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. Approval of Fiscal Year 2022 Meeting Schedule**

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the Fiscal Year 2022 meeting schedule was approved reflecting the following meeting dates: November 17, 2021, January 26, 2022, March 23, 2022, May 25, 2022, July 27, 2022 and August 24, 2022.

**4. Amenity Manager’s Report**

Ms. Chambliss gave an overview of the amenity manager’s report, copy of which was included in the agenda package.

**5. Field Manager’s Report**

Mr. Viasalyers gave an overview of the field manager’s report, copy of which was included in the agenda package.

**TENTH ORDER OF BUSINESS**

**Audience Comments**

A resident asked is there any talk about getting speed bumps on the other side of Grand Reserve Drive in the new section where the new construction trucks are speeding?

Mr. Porter stated I will look into it. The CDD did not put in the speed bumps, Horton put those in.

A resident stated the intersection of Grand Reserve Drive and Grand Reserve Boulevard where the stop sign is there are two trees on that corner that block visibility and you can’t see cars coming down the road.

Mr. Viasalyers stated that's the magnolia trees. We are working with Yellowstone to get those lifted.

A resident stated depending on the jurisdiction I suggest we get a stop sign at that intersection as well.

Mr. Porter stated that is going to be the City of Bunnell, but Ernesto can contact them for us and see if we can get them to agree. I agree, I think it is a good idea.

A resident stated I think the contractors are responsible for this as well. When I drive down the road, there are beer bottles, beer cans, soda cans on the side of the road. One day I picked up 10 cans myself.

Mr. Porter stated it is usually teenagers, not the guys working construction jobs. I don't know what you can do other than just pick them up.

Ms. Lambert stated I usually send an email to the builder asking him to remind contractors.

A resident asked how do I pay this assessment?

Mr. Porter stated it will be on our tax bill. When you get your property tax bill you will see a line on it for CDD assessment. Your mortgage company will pay it, you don't have to tell them, they will get the tax bill and adjust your escrow.

A resident asked when you are doing the mowing especially around the edge of the golf course, just started and not finished and they will leave it. The grass is mowed but it is in the sidewalk but it is never cleared.

Mr. Thompson stated I will address that with the team. The team was in here today and they got rained out this afternoon. We will be here about three days this week because we had an issue last week. The original supervisor who takes care of this community was out with COVID for 14 days. I had another person doing it and we fell behind. My team will probably be in here three days this week, catching up and going above and beyond.

A resident stated reading the information on the website, the bugaboo about trees around the edge of the pond bank. Is that issue dead now?

Mr. Porter stated yes.

A resident asked are you planning to do anything on Grand Reserve by the cul-de-sac?

Mr. Viasalyers stated I have been working with Joe Walker of D.R. Horton and he has been unresponsive the past few times.

Mr. Porter asked what area are we talking about?

Mr. Viasalyers stated there is a cul-de-sac that was never sodded and Joe Walker was supposed to sod that.

Mr. Porter stated I will talk with Joe.

**ELEVENTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none,

On MOTION by Mr. Dearing seconded by Mr. St. Pierre with all in favor the meeting adjourned at 7:49 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman