

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, May 25, 2022 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	Supervisor
Gail Lambert	Supervisor by Zoom
David St. Pierre	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel by telephone
Peter Amans	District Engineer by telephone
Heather Chambliss	Facility Manager
Chris Hall	Riverside Management
Bob Barnes	Bunnell City Commissioner
Alvin Jackson	Bunnell City Manager
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Porter called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comments

A resident stated my first observation of the budget is that everything went up again. I also noticed landscaping maintenance is \$149,900, as of 9/30/22 it looks like the expenditure is going to be \$129,559. There is a difference between what was budgeted and what was spent and we are budgeting again next year the same amount \$149,900 even though we were under budget this year. Where did that \$12,000 go?

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Mr. Porter stated when we adopt the budget it doesn't mean we will necessarily spend all that. We try to adopt a budget that we think will pay for everything and if there is money left over it is available for us to spend next year. If we save \$12,000 on landscaping this year it stays with the district. As we have more houses built and new sections developed we end up with more common areas and rights of way that the district has to maintain. Landscaping until we are built out will probably go up every year.

Tonight, we are not adopting a budget we are approving a proposed budget so we can set a public hearing and at the public hearing we will go into whatever detail everybody wants to, line by line. Tonight, we are going to give a budget that we think has enough money to take care of everything; at the public hearing we will actually adopt the final budget, which can be any number that is not in excess of this proposed budget.

A resident stated I want to thank the guys on the due diligence on the pumps and now we have irrigation.

THIRD ORDER OF BUSINESS

Consideration of Dewberry Engineers, Inc. Work Authorization No. 2022-3 for Public Facilities Report

Mr. Porter stated we are required to do a public facilities report every year and we have the engineer to do it.

Mr. Oliver stated it is an estimated cost of \$6,500 plus \$500 in direct costs for a total of \$7,000.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor work authorization no. 2022-3 with Dewberry Engineers, Inc. in the amount of \$7,000 was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2022-02 Approving the Proposed Budget for Fiscal Year 2021 and Setting a Public Hearing Date to Adopt

Mr. Porter stated Resolution 2022-02 approves the proposed budget and sets the public hearing. If you have questions prior to the public hearing you can get in touch with the district manager and he will go over that with you. The majority of the expenses are based on contracts

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for management, landscaping and irrigation and so forth. Everybody is entitled to a copy of the proposed budget and it will be posted to the website after we approve it tonight.

On MOTION by Mr. St. Pierre seconded by Mr. Teagle with all in favor Resolution 2022-03 approving the fiscal year 2023 budget and setting a public hearing for July 27, 2022 was approved.

FIFTH ORDER OF BUSINESS**Consideration of Proposals for Pump Repairs**

Mr. Porter stated I want to also thank David because we had a gentleman who stepped up and did a lot of work and finally had to withdraw and David took over to represent the board and meeting with the folks who understood it.

Mr. Dean stated last month the irrigation system was down, one of the pump motors was bad and the other one was always bad. Peter did a lot of research and worked with one of the vendors and had one pump running, which is running now. There are two main pumps that supply the irrigation system, one smaller pump that holds up the pressure in the system so that either one of the main pumps doesn't have to run all the time, which would decrease its life. Right now only one of the main pumps is running and it is running 24/7 to supply and keep the pressure up in the system. It can't provide for everyone's irrigation by itself. We have a proposal to replace the motor in one of the main pumps. The golf course has the same set up as we do for their pumps and they recently modified their setup and are in a much better situation. Technology has changed a lot since these pumps were installed. We would like to see not just the pumps and motors repaired and replaced but the control system also.

Mr. Porter stated we only have one proposal.

Mr. Dean stated we were asked to submit two proposals for motors, the one you have is the local vendor M&M Motors, the same vendor that works at the golf course. Moving forward we would like to keep the local vendor who can come on call for us versus using someone out of Jacksonville. In talking to Jim today, we do need to put the PM pump motor back in also. We are looking at a total expenditure not to go any more than \$30,000 at this time. We also added money to the capital for the rest of the project to get this back to 100% early next year. I would like to move forward not to exceed \$30,000 and the rest is under capital.

Mr. Porter stated we have room in the budget for that, right.

Mr. Oliver stated we do.

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Mr. Porter asked what are we talking about for next year moving forward?

A resident stated right now the technology of the system, there are pressure switches and relays and the pump will start on demand.

Ms. Lambert asked would this be covered by insurance because we did think the pumps went out due to a lightning strike?

Mr. Oliver stated I have filed a claim.

Ms. Lambert stated then it is possible we will get some of this cost recouped through insurance.

Mr. Oliver stated yes.

A resident stated where we would like to go with the system is to upgrade the circuitry in the control cabinet to modernize it and better run the pumps. It will increase the life of the motors and pumps. The golf course has done it and they are very happy with the upgrade, which is also why we want to stay with the local guy because he has the experience and knowledge.

Mr. Porter asked do you have a feel for the cost of the upgraded circuitry?

A resident stated the whole original estimate to do the repairs as well as the upgrade is \$46,000.

Mr. Porter stated if we authorize the \$30,000 now we will probably have another \$15,000 to \$20,000 we will try to do next year.

A resident stated there is a lot of other work that needs to be done but not to that magnitude.

Mr. Porter stated we have to have the PM pump we have to have pump no. 2. I'm good with that.

Mr. St. Pierre asked how much of an assurance do we have on getting some insurance proceeds?

Mr. Oliver stated the claims adjuster will make their case and I have never not gotten a claim approved for lightning damage.

Mr. Porter stated if we get the insurance claim approved in 60 days then we can go ahead and order the rest of the stuff. If not, we will wait until we are in the next fiscal year.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the chair was authorized to approve up to \$30,000 to get the pumps and motors running for the irrigation system.

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SIXTH ORDER OF BUSINESS**Discussion of O&M Assessment Allocation Methodology**

Mr. Porter stated Gail is basically suggesting that we should change the assessment methodology so that every lot pays the same amount rather than having it set up the way it is now. To me the way it is set up now is the way it was when everybody bought their house. If we change it the folks who have the 75-foot lots will save some money and the 50-foot lot owners would save a little bit of money and the 40-foot lots would go up. If we do that we have to basically pay a consultant, GMS, to do a new assessment methodology, which will cost around \$5,000. Everybody knew what they were signing up for when they bought their houses.

Ms. Lambert stated I accept what you are saying but I don't think everybody did realize what they were signing up for with regard to CDD fees. When the time I came they were very minimal because it hadn't been developed. As the fees are increasing year by year it is quite a significant amount now based on frontage. As I understand it up until Phase 4, all the lots were either 75 or 50 foot lots so if we were to standardize the O&M all the current residents O&M would decrease. This is possibly the only time this change could be enforced as I believe that there are currently no 40-foot lots with residents. I think they are still being developed and owned by D.R. Horton. Some of the obvious reason for the change is whatever size lot, nobody is benefiting more based on the lot size. One of the things that stands out is that quite a few of the 40-foot lots are actually as large as the 75-foot lots. One person posted on Facebook that their lot size was 83-feet and they were paying a 50-foot lot fee. When you have several 50-foot lots and this will be the case for the 40-foot lots, which are longer than the 50-foot lots so square footage is probably similar but they are narrower so they got a cheaper rate, which to me isn't fair.

Mr. Porter stated let me explain why that is set up. The district owns the streets and owns the stormwater system, which they maintain. If you have a 75-foot wide lot you have 50% more of that street in front of you and you are contributing a good bit more to the stormwater system, just because your lot is bigger and there is more runoff. That is the justification for it so to say that they cost exactly the same to the district isn't really accurate, you can make an argument either way.

Ms. Lambert asked then the lots classified as 50-foot lots but are in fact 75 and above should they not be paying the 75-foot rate?

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Mr. Porter stated no. Generally, the way that is set up is that when we measure lots they are set up based on what size a house will fit so a 50-foot lot will have a 40-foot wide building pad. The 75-foot wide lot you can build a house up to 65-feet wide. You can put a smaller house on that then you will have some that are on a cul-de-sac and the frontage is less or as you go around a corner where the frontage is a little bit more, but to try to do every lot based on the squarer footage would give us 800 different assessment categories, that doesn't help anybody. Some of the lots are a little bit wider because they have an easement that is for one of those drainage pipes that is in your lot, but you don't get to fence it in you don't really get to use it. In general I don't think the question of whether one lot is bigger because it is on a corner or whatever is that important. The 40-foot lots may be on average 10-feet deeper but that is only a 10% increase in depth whereas it is a 20% decrease in the width.

A resident stated basically you are looking at impervious area versus the square footage. It works out in the wash, I have worked in planning and development and economic development for years so changing the methodology at this point would be counter intuitive in my opinion having 20-years in this business. We knew what we were getting into. I accepted the status quo right now and the methodology is sound as it is set up. It was agreed to by the county, it was agreed to by the state, it is sound methodology that is highly regulated from the state level all the way up. It is sound, planning principle. I'm speaking out of turn but don't try to change the methodology at this point.

Mr. Porter stated this really would affect everybody in this room. I personally don't like the idea. We will vote in a minute and I will vote against it but the good news is if you don't like the way I vote come November one of you get to replace me because we have an election coming up.

Ms. Lambert stated this won't be proposed at any other time because once all the 40-foot lots are sold it wouldn't be beneficial for the 40-lot owners. It is now or never.

Ms. Lambert moved to have a different assessment methodology prepared for the O&M fees and there being no second the motion, the motion died for lack of a second.
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SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

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There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. District Manager – Report on the Number of Registered Voters, 650

A copy of the letter from the supervisor of elections indicating that there are 650 registered voters residing within the district was included in the agenda package.

Mr. Oliver stated two seats will be filled by general election this year, candidates wishing to qualify can contact the supervisor of elections or visit flaglerelections.com to get qualifying information. The formal qualifying period is from noon June 13 to noon June 17. You can prequalify and they are very helpful at the elections office if you want more information.

D. Amenity Manager

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

EIGHTH ORDER OF BUSINESS

Supervisor’s Requests

Supervisor Teagle stated a few light fixtures had to be adjusted to meet health department standards for night swim, revised plans are being reviewed by the health department is in progress and D.R. Horton will cover the cost.

NINTH ORDER OF BUSINESS

Public Comments

Other matters discussed: landscaping deficiencies especially in front of Freedom, trash pickup by Yellowstone, request for an additional streetlight along sidewalk in dark preserve area near lot 10, dead trees in preserve, parking on sidewalks and grassy common areas and the lack of response from the police department, future park area/pond and follow-up on insurance claim for pump motor damaged by lightning, lack of maintenance around bocce ball court and pickleball court.

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On MOTION by Mr. Teagle seconded by Mr. Dearing with four in favor and Ms. Lambert opposed the district will direct Yellowstone to maintain the areas outside the gates of the Freedom development.

TENTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the March 31, 2022 Meeting**
- B. Balance Sheet as of April 30, 2022 and Statement of Revenues and Expenses for the Period Ending April 30, 2022**
- C. Assessment Receipt Schedule**
- D. Approval of Check Register**

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting – 07/21/22 at 3:00 p.m. at the Island Club

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the meeting adjourned at 7:13 p.m.

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 Secretary/Assistant Secretary

DocuSigned by:

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 Chairman/Vice Chairman