

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, August 24, 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
David St. Pierre	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
Chris Hall	Riverside Management
Robin Taylor	Facilities Manager
LeeAnn Castineira	Facility Manager
Alison Mossing	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Porter called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Public Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

A copy of the affidavit of publication of the public hearings was included in the agenda package.

FOURTH ORDER OF BUSINESS

Fiscal Year 2022/2023 Budget

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A. Overview of the Budget

Mr. Oliver gave an overview of the capital reserve budget and debt service budget for the series 2018 bonds and stated the general fund budget shows total assessments to be collected on the tax bills in the amount of \$800,000. We have three sections of expenditures to operate the district, administrative expenses increased \$3,400, which is a 3.5% increase. The community appearance section takes care of everything outside the amenity footprint and the biggest portion of those budgets are landscaping and lake maintenance. The amenity center budget is to maintain and operate everything within this area and that one goes up about 8% from \$291,000 to \$314,000. Overall, it is an 11% increase in this time of about 9% inflation, and it is important to look at the capital reserve transfer out. When we collect assessments, we are going to collect \$50,000 in capital reserve funds and flow it through the general fund budget and put it into the capital reserves so that you have money to maintain your capital assets or repairs and replacement. When you take out the capital reserve the budget increases from \$715,000 to \$753,000 so it is operationally about 5.4% increase in the expenditures.

B. Board Discussion

Ms. Lambert stated we had a big increase last year and the fact that you are proposing another increase higher than inflation seems excessive. What you are saying is very sensible but I think we could reduce the budget in areas such as the water feature maintenance; facilities maintenance and amenity repairs maintenance is a duplication. A jump from \$10,000 to \$50,000 is a lot and we could scale it down and I propose increasing the fees not by 11% but in the range of 8% or 9%, below the rate of inflation. Different lots pay different fees but it is not a true 11% across the board, they go from 11.4%, 10.9% and 10.7% and I want an explanation. I propose the fees are increased at 8% and a uniform increase.

Mr. St. Pierre stated I pushed to have the capital reserves increased because of what happened with the pump. We really didn't have money, although we found money in this year's budget. If we don't spend the capital reserve next year it will float to the next year.

Mr. Oliver stated yes, it is important to emphasize, it is not a use it or lose it budget; anything you don't spend you retain in the district and at some point in the future you may use carry forward surplus to help subsidize assessments.

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Mr. St. Pierre stated I looked at the amenities management going up \$8,000 as a little high. I would like more transparency from the two companies. There is a big gap of what people are actually paid and what we pay the company.

C. Public Hearing Adopting the Budget for Fiscal Year 2022/2023

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

Mr. Porter stated to me it is irresponsible for us not to fund a reserve. I'm with Horton and will be out of here in a couple years and a lot of you folks are going to live here for a long time and if the roof blows off this place and we don't have the money to replace it while arguing with an insurance company it is going to make things cost that much more. I'm a big believer in capital reserves and whatever doesn't get spent rolls over and if we put \$50,000 in each year, over time will have enough money to be able to take care of things. Ultimately, we will resurface the roads and parking lots, the pool, end up with a new roof, replace the furniture and so forth. The increase we suggested works out to about \$10 per month. The majority of the items in here are based on contracts that we approve. The biggest item is landscaping and we invite anyone who wants to, to bid.

The following comments were made with regard to the budget and contracts: did not like the increase in assessments, amount of interest earned is limited to certain types of investments, reduce number of mowings to once a month to save money, contact information for the manager is on the website to report issues as they come up, \$10 per month increase on average per household, use of defoliant in ponds, lack of wildlife, reduce the number of streetlights to save money, cost of cable/internet/phone at amenity center, water features, all planned and platted lots are assessed,

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

1. Consideration of Resolution 2022-06 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2023

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Mr. Porter stated Gail, I appreciate the time you spent doing this but I, personally, would rather not decrease this budget. I think it is critical that we make sure we are on good financial footing so you don't suddenly have something happen and then try to figure out how to borrow the money. If we pay a few dollars a month more now it is not like you are losing that money. We don't have to spend everything that is in the budget. I think it is a good conservative budget that I would not try to strip out an item at a time.

Ms. Lambert stated I have gone through it in a lot of detail, I'm only asking for a reduction of 2%, which still gives us wiggle room. I propose that we adopt a 9% increase.

Mr. St. Pierre stated last year's increase was 27%. I still like the fact that we are improving the capital budget by \$40,000. That was important because we scrambled to find the money this year to do the pump station and when you get done with the pump station you will see it is state of the art now. It is almost finished and it is really nice. We spent a lot of money upgrading something that was 14 years old. We didn't have the money but found it in the reserves and is part of the reason I asked Jim to increase the capital. We can always find better contracts throughout the year. Once we find a better contractor, we can tell the landscaper he is done in 30-days. If you can find better costs as we go throughout the year those will be savings for all of us. I would rather go that route and have money in case something does happen than to cut it back by 2%.

On MOTION by Mr. Dearing seconded by Mr. Teagle with four in favor and Ms. Lambert opposed Resolution 2022-06 was approved.

2. Consideration of Resolution 2022-07 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2023

Mr. Porter stated essentially this public hearing is taking the budget we just approved and applying it to everyone's lot so the tax collector can make sure it shows up on the tax bill.

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

There being no comments or questions, the board took the following action.

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

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor Resolution 2022-07 was approved.

FIFTH ORDER OF BUSINESS

Consideration of Janitorial Service Proposals

Mr. Oliver stated the current vendor is J&G and they propose to increase their weekly fee \$50 from \$250 to \$300 per week and that would bring that up to \$15,600. In light of that I had a discussion with Supervisor St. Pierre we got additional proposals and we have two from Vanguard Cleaning System at a cost of \$995 per month or netting out at \$11,940 per year and the other one at a high level is \$1,210 per month for \$14,520 per year. We have one from SOL Commercial Cleaning Services, LLC for \$300 per week, which is the same cost as J&G. The two things we look at are price and the level of satisfaction with the current vendor J&G. All three are three times weekly and Vanguard’s higher cost proposal includes certain areas such as cleaning the grill and some of the areas by the pool.

Mr. Porter stated for \$1,000 per year if we have people doing a good job, we should continue.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the request for an increase of \$50 per week from J&G Janitorial for a total amount of \$300 per week was approved.

SIXTH ORDER OF BUSINESS

Consideration of Pool Maintenance Proposals

Ms. Castineira stated the current vendor had a price increase to \$925 and we got a proposal from L’acqua Pool Service, Inc. for \$900 per month.

Mr. Porter stated I have the same feeling about this one, if it is working I don’t think we should be trying a new vendor for \$25 a month.

Ms. Lambert stated I don’t know how LeeAnn feels but I do know Heather wasn’t entirely satisfied with the current one.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor staff was authorized to continue with the existing service provider, Aquatic Express for an increase of \$25 per month.

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SEVENTH ORDER OF BUSINESS

Consideration of Renewal Proposals for Fiscal Year 2023 Services

A. J&G Janitorial (Rate Increase)

This item taken earlier in the meeting.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. District Manager

Mr. Oliver stated the qualification period for two seats on the board was in June and we had two residents qualify for one of the seats, Greg Dean and Darrell Broom and Andre Poulin qualified for the other seat and he is unopposed. Two new supervisors will be seated at the November meeting.

D. Amenity Manager - Report

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

NINTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. St. Pierre stated I would like to have the concrete taken care of on the boulevard.

Ms. Lambert stated I emailed John and he is chasing the contractor. He thought it had been picked up.

Mr. Porter stated they promised to do it a month ago.

Ms. Lambert stated we used some of that discarded concrete to stop erosion and to save some money.

Mr. St. Pierre stated I would like a quick update from Greg on the pumps.

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Mr. Lambert stated the last two days I have seen a couple guys working on the pump station for irrigation. Both main pumps are running now, we are upgrading the control system so that should increase the life of the two main pumps. The pressure maintenance pumps runs to keep the pressure in the system up.

Ms. Lambert asked did we get the insurance money for the irrigation that was hit by lightning?

Mr. Oliver stated we do not have that yet. The claim has been filed.

Mr. St. Pierre asked is there any reason we keep having backouts? Can someone look into it for us? We had power outages twice in the last week for a period of time and it is just on Birdie Way. Could we look into D.R. Horton selling new houses with the bonds paid off? It would help us in the long run as far as people not being confused with the money.

TENTH ORDER OF BUSINESS

Public Comments

A resident asked what are you doing with the playground?

Ms. Lambert stated that was planned to be a rec park, not a playground, just a lake and a footpath. We put a stop to that because it would have security and maintenance implications, so D.R. Horton agreed to create the lake then they are going to sod it and leave it.

Mr. Porter stated when houses get built in there and there are more people here if the CDD wants to use it they will be able to. The consensus was we have too much stuff to maintain already and people were worried about access so it is for future recreation. Once the lake is dug and it is grassed it will be fenced off.

A resident asked the no parking signs look great. Are they going to get painted?

Mr. Hall stated yes.

A resident stated the old facilities director posted a lot. Are you going to keep that up?

Ms. Castineira stated I have been working on a new calendar system and Heather was spending about 30 hours a week sending out reminders and these are classes and they will be on the monthly calendar and everyone will have access to it. Once I get more familiar with how everything works it will be a lot smoother. Instead of sending out reminders we will have a calendar of events that everyone goes to.

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A resident stated the deck out here is always dirty, around the trees we are stepping in it all the time. Is anyone responsible for that? Also in the bathrooms out here they don't clean the floor behind the toilets.

A resident asked is there proposed construction for Grand Reserve Boulevard?

Mr. Porter stated more homes will be built there.

ELEVENTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the July 27, 2022 Meeting**
- B. Balance Sheet as of June 30, 2022 and Statement of Revenues and Expenses for the Period Ending June 30, 2022**
- C. Assessment Receipt Schedule**
- D. Approval of Check Register**

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the consent agenda items were approved.

TWELFTH ORDER OF BUSINESS

Next Scheduled Meeting – 11/23/22 at 6:00 p.m. at the Island Club

Mr. Porter stated the next scheduled meeting will be November 23, 2022 at 6:00 p.m. at the same location.

On MOTION by Mr. St. Pierre seconded by Mr. Dearing with all in favor the meeting adjourned at 7:12 p.m.

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 Secretary/Assistant Secretary

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 Chairman/Vice Chairman