

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, October 25, 2023 at 6:01 p.m. at the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

David St. Pierre	Chairman
Andre Poulin	Vice Chairman
Greg Dean	Supervisor
Gary Garner	Supervisor
Shannon Martin	Supervisor

Also present were:

Howard McGaffney	District Manager
Katie Buchanan	District Counsel
Natalie -----	-----
Peter Armans	District Engineer by telephone
Kayla Rinker	RMS
Rich Gray	RMS
Alison Mossing	RMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. McGaffney called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comments

A resident stated I have lived here a year and debris is getting in the irrigation water lines and going into the solenoid of everyone’s zones. My house has seepage because debris is in the line and driveways are turning black. Is there a filtration system on the pumps that are regularly maintained.

Mr. Dean stated there is a strainer on the discharge of the pump but it is nowhere near small enough to take care of sand and silt that comes out of the pond. The solenoid valve should be able to handle little pieces of grit and sand. The smaller heads have screens in them so the heads don’t clog.

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A resident stated I went through everything and the filters were all dirty. There are larger particles that cause the solenoid to seep. Whose responsibility is that? Carlos said it was a CDD problem because there are no filters. Baker was making repairs but in August they said this is an endless job. I can change the solenoid but without filters that is going to keep it clean, I will have a problem in two weeks. I don't think the residents should be responsible to maintain something the CDD should do.

Mr. St. Pierre stated I have lived here over three years and never had a problem. I water twice a week in 15- minute zones and my grass looks great.

Mr. McGaffney stated we have had two main line breaks, which doesn't help the situation.

Ms. Marshall stated I recommend Rodney Kimberly to fill the vacancy. The 700 section would feel very represented if he were appointed.

Mr. St. Pierre stated we represent everybody who lives in Grand Reserve. It doesn't matter where we live, we are getting feedback from all over the community. Where the candidates live does not matter, what matters is what they contribute to this community.

Ms. Marshall stated people who live in that section want to be represented by someone in that section.

Mr. Sanchez stated thank you to the girls, you are doing a great job. I think we should change the way we elect CDD board members when someone resigns. We will have board members that were not picked by the owners.

Ms. Buchanan stated the way this board has to operate and fill vacancies is governed by statute. It explicitly says that the existing board members vote to fill an empty seat. They don't have the ability to change the process.

THIRD ORDER OF BUSINESS

Organizational Matters

Mr. St. Pierre stated we individually interviewed each candidate.

Mr. Garner, Mr. Kimberly, Ms. Martin, and Mr. Pillen gave a brief overview of their background and expressed their interest in serving on the board.

Ms. Buchanan stated the state law requires that the seats can only be filled by someone who is at least 18 years of age, is a citizen of the United States, a legal resident of Florida and the

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district and who registers to vote with the supervisor of elections in Flagler County. I assume everyone meets those requirements but if you do not or have questions then please let me know.

A. Appointment of Supervisor to Fill Unexpired Term of Office

Mr. Dean nominated Gary Garner and there being no further nominations.

On MOTION by Mr. St. Pierre seconded by Mr. Dean with all in favor Mr. Garner was appointed to fill the unexpired term of office.

Mr. St. Pierre stated Gail resigned and we have one more seat we want to fill tonight. I appreciate everything Gail has done for this board and this community.

On MOTION by Mr. Poulin seconded by Mr. St. Pierre with three in favor Ms. Lambert’s resignation was accepted with regrets.

Mr. Poulin nominated Shannon Martin and there being no further nominations, with three in favor Ms. Martin was appointed to fill the unexpired term of office with a term ending November 2024.

Ms. Buchanan stated as CDD board members you are public officials that means you are required to comply with things like the sunshine law. Generally speaking any conversation you have with another board member about matters that have or may come before the board need to be conducted in a publicly noticed meeting. You are also subject to public records laws, someone may request that you provide any emails that you have in connection with your service to the district. I suggest you set up a new email account or a folder and that way you can get in the habit of electronically filing all of your CDD items in one place so if there is a records request you can go to that one place and see if there are any responsive documents and know that you have done your due diligence to produce it. It is very hard if you don’t keep it segregated to go back in five years and find an email. You are also responsible for complying with the ethics laws in the State of Florida. At a 10,000 foot level this means that you can’t take any board action that disproportionately benefits or harms you or someone you are close to whether that be a relative or an employer. If you ever find yourself in a situation where you think that you might

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be edging up on a conflict of interest issue, please reach out to me or Mac and we will help you navigate it.

Mr. McGaffney stated I'm going to highlight a couple things and we will touch base after the meeting on the rest. We will ask you to fill out a couple forms, one is the oath of office as well as a payroll form. Ms. Martin declined the \$200 per meeting. Mr. Garner accepted the compensation.

B. Oath of Office for Newly Appointed Supervisors

Mr. McGaffney being a notary public of the State of Florida administered the oath of office to Ms. Martin and Mr. Garner.

C. Resolution 2024-01 Election of Officers

On MOTION by Mr. Dean seconded by Ms. Martin with all in favor Andre Poulin was elected vice chairman.

On MOTION by Mr. St. Pierre seconded by Mr. Poulin with all in favor Resolution 2024-01 was approved reflecting the following officers: David St. Pierre chairman, Andre Poulin vice chairman, Howard McGaffney secretary and treasurer, Greg Dean, Gary Garner and Shannon Martin assistant secretaries, Marilee Giles, Darrin Mossing, Daniel Laughlin, James Oliver, George Flint and Katie Costa assistant treasurers and assistant secretaries.

FOURTH ORDER OF BUSINESS

Engineer's Report – Work Authorization for General Engineering Services

Mr. Armans stated I want to congratulate the new board members and let you know that the engineer is part of the staff and if there are any engineering requests we would like them to go through the management company because they also track budget.

On the agenda is a work authorization for general services. This is updating our internal paperwork and rates. This is an estimate, not an authorization for a specific task besides what we do on a regular basis, which is respond to board requests, attend meetings. This is on a time and materials basis, meaning the time we spend is the only time we bill for.

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On MOTION by Mr. Poulin seconded by Mr. Garner with all in favor work authorization 2024-1 was approved.

Mr. Dean asked where do we stand on the encroachment areas?

Mr. Armans stated the one thing we are waiting on is to have a landscape architect to look at the location and provide a proposal and the cost estimate. I do have someone within our company lined up to do that and he will come out before he next meeting and provide a quote for that work.

Mr. McGaffney asked is that for the consulting or installation?

Mr. Armans stated I'm asking him to do both, he will have cost for the consulting and an estimate for the installation.

FIFTH ORDER OF BUSINESS

Consideration of Proposals

A. Pump Station Improvement Project

Mr. Gray reviewed the proposal from M and M Sales and Service for the second pump repair needed for the irrigation system in the amount of \$34,950 then outlined the control cabinet to upgrade the current system, new wiring, connections, and power in the amount of \$50,910.

On MOTION by Mr. Dean seconded by Mr. Poulin with all in favor the proposal from M and M Sales Service in the amount of \$34,950 and the proposal for the control cabinet in the amount of \$50,910 were approved and district counsel was authorized to draft an agreement for this work.

B. Woodline Cutback (100 Entrance)

Mr. Gray outlined the area of the proposed woodline cutback at the 100 entrance. This proposal is in response to a request by the landscape committee.

On MOTION by Mr. Poulin seconded by Ms. Martin with all in favor the proposal from Yellowstone in the amount of \$3,250 was approved.

C. Mulch & Edging (Amenity Center)

This item tabled.

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D. Control Cabinet Irrigation System

This item taken earlier in the meeting.

SIXTH ORDER OF BUSINESS

Ratification of Actions Regarding Binding Insurance with FIA

Mr. McGaffney stated because of the way the insurance industry and FIA works they weren't able to get their proposal in. They had given us a budget number so we could budget and the end result was that they worked diligently and came back with a quote that was less than Brown and Brown. The board had given me authorization to bind the coverage with Brown and Brown but after having the updated proposal from your current company that came in less, we let them know we would bind that insurance.

On MOTION by Mr. Poulin seconded by Mr. Dean with all in favor staff's actions in binding insurance with FIA were ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Invoice from Power & Pumps, Inc.

Mr. St. Pierre stated a couple of years ago we didn't like the proposal from D.R. Horton and we looked into this and Peter Sutherland brought in a company from Jacksonville to do the immediate assessment and some work and for one reason or another they never got paid.

On MOTION by Mr. St. Pierre seconded by Mr. Garner with all in favor the invoice from Power & Pumps, Inc. in the amount of \$6,895.00 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2024-02 Amending the Fiscal Year 2023 General Fund Budget

Mr. McGaffney stated every year we endeavor to set a good budget and we are trending about \$2,000 over budget and there may be a few more invoices coming in. You will use what you have in reserves to pay for the additional we are asking, which is more than enough to cover the few invoices that we have.

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On MOTION by Mr. Poulin seconded by Ms. Martin with all in favor Resolution 2024-02 was approved.

NINTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Ms. Buchanan stated I have prepared the form of what our traditional acquisition package looks like. D.R. Horton has requested that we move forward and start working on the transfer of the parcels in Phase 4. Essentially there is a tract adjacent to Pinnacle and I know you have had questions in the past on how this process works.

When the district issues bonds it puts in place an improvement plan and it says these are the things that the district is going to own and operate and included in that improvement plan would be things like the stormwater management system and the amenities are the big ticket items and there are other things like utilities that generally go into it. The district then issues the bonds, pays for a portion of the improvement plan but you never have a district issue enough bonds to pay for the entire improvement plan. The balance of that improvement plan is then paid for and completed by the developer. The last bond series was in 20018 so the district has been out of construction funds for years. All the work that D.R. Horton is doing they are funding out of pocket. However, they do want the district to continue to honor its obligations to them, which is to take over the improvements once they have completed them. Horton has identified three tracts in Phase 4 adjacent to Pinnacle and you can see the property appraiser's photos in the back of the package, essentially it is the one triangular stormwater pond and two landscape conservation easement buffer tracts that do not have improvements on them. When we asked the developer to work with us what we always want to do is ensure that we take the property in good condition and that we take it free and clear of all liens and any rights that they have in connection with the construction of the improvements are transferred to us. If we found a defect that was hidden four years after the developer constructed it we want to be able to sue the contractor who did the installation; we want to be able to have him fix it.

Mr. St. Pierre stated the first thing I want to throw back at the developer is the mailboxes. They still haven't fixed the situation over there; they have gone to the City of Bunnell and the city approved the improvements yet they want to drag their feet on the mailboxes. I'm afraid of two things; first is safety and I would like D.R. Horton to fix that situation.

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Ms. Buchanan stated my expectation isn't to ask you to authorize this tonight, I'm just walking you through the process because you do have a meeting in November and I want you to take a couple of weeks to look at the property, see if you have any issues and given them a chance to fix them before we actually go through it.

The first thing you get is the affidavit, it acknowledges that the improvements that we are being asked to take are part of that initial project and it confirms that they have paid for the improvements and there are no outstanding liens on the property.

The second thing we do is get an acknowledgement and release from the contractor, essentially, the contractor acknowledges that he has been fully paid and they agree that any warranties or rights under the construction contract transfers from Horton to the district. The next thing is the bill of sale and that describes the improvements and gives ownership to the district. The last thing we receive is a special warranty deed and that transfers the ownership of the real property, the underlying dirt to the district.

The final item in your package isn't something from D.R. Horton, it is actually from the district engineer. We request that the district engineer go out, review the improvements, make sure that they are in good condition, make sure that they are part of the district's improvement plan and that we have permits and files that are necessary to continue to operate and maintain the improvements. We do rely on Peter's office to do some due diligence for us because I am not a field person, I don't know what's out there.

I wanted to explain how it works and give you the paperwork. If you have any thoughts or concerns about our standard package, then please reach out to me and we can update it. We do try to have a process that provides protections for the district.

When I drove out there today, the two buffer tracts are non-issues. Just looking at the pond I didn't see any visible bank deterioration. It has some vegetation in it and I don't know whether that will get better as the weather cools. It is only these three parcels being transferred.

Mr. Dean asked what is going on with the easement for the Masons?

Ms. Buchanan stated the gentleman called me this month and I asked where do you want it and he said we don't really know yet. I don't feel like we are quite ready so we will bring it back.

B. District Manager

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Ms. Buchanan stated generally, when we have a suspension and we have only done a few of them here, what we like to do is ask if someone is present and wants to speak to this then once they identify themselves, we request that Alison provide an overview of the incident and give the resident the opportunity to respond. I will reiterate that this of all places is not the ideal situation for audience comments, this is a board decision.

Ms. Rinker stated the amenity privileges were suspended until the next board meeting for the residents who hosted an unauthorized private event at the amenity center. There was no damage done to the facility and the residents were made aware of the fobs/key violation and suspension. Staff recommends lifting the suspension after tonight's meeting.

On MOTION by Mr. St. Pierre seconded by Mr. Dean with all in favor the suspension of the amenity privileges will be lifted after the conclusion of the meeting.

C. Operations Manager

Mr. Gray gave an overview of the operations report, copy of which was included in the agenda package.

D. Amenity Manager

Ms. Rinker reviewed the amenity management report, copy of which was included in the agenda package.

TENTH ORDER OF BUSINESS

Supervisor's Requests

Additional comments: Amenity center group meets here every Wednesday at 6 p.m., a proposed reservations plan will be presented next month, the police department has been enforcing overnight parking, a proposal for limited overnight guest parking at the amenity center will be presented next month.

ELEVENTH ORDER OF BUSINESS

Public Comments

Additional comments: Does the budget meeting have to be in the middle of the summer when 25% of the residents are not here, cars are parking on the sidewalk in my area, contact

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board members or staff with concerns between meetings, need representative for underrepresented groups.

TWELFTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the August 23, 2023 Meeting**
- B. Ratification of Engagement Letter with Berger Toombs Elam Gaines & Frank**
- C. Balance Sheet as of September 30, 2023 and Statement of Revenues and Expenses for the Period Ending September 30, 2023**
- D. Assessment Receipt Schedule**
- E. Approval of Check Register**

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

THIRTEENTH ORDER OF BUSINESS


Next Scheduled Meeting – November 29, 2023 at 6:00 p.m. at the Island Club

Mr. St. Pierre stated the next meeting is scheduled for November 29, 2023 at 6:00 p.m. in the same location.

On MOTION by Mr. Garner seconded by Ms. Martin with all in favor the meeting adjourned at 7:30 p.m.

DocuSigned by:


 396ACEAA81D8401
 Secretary/Assistant Secretary

DocuSigned by:


 7A1C24991E9C4C1
 Chairman/Vice Chairman