

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 27, 2025 at 6:30 p.m. at the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

Gary Garner	Chairman
Franklin Gates	Vice Chairman
Barbara DeSantis	Supervisor
Melissa Tabares	Supervisor
Gary Masten	Supervisor

Also present were:

Matt Biagetti	District Manager
Katie Buchanan	District Counsel
Joey Duncan	District Engineer by Zoom
Natalie Clem	RMS
Rich Gray	RMS
Cheryl Palmes	RMS
Alison Mossing	RMS
Dustin Vost	City of Bunnell
John Rodgers	Commissioner and Vice Mayor
Dean Seacrest	Commissioner
Chief Dave Brennan	Police Department
Jay Gardner	Flagler County Property Appraiser
Dr. Alvin Jackson	City Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Garner called the meeting to order, called the roll and Mr. Masten introduced the guests from the City of Bunnell.

SECOND ORDER OF BUSINESS

Public Comments

There being none the next item followed.

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THIRD ORDER OF BUSINESS

The City of Bunnell Infrastructure Director, Dustin Vost

Mr. Vost gave a slide presentation on stormwater, reclaimed where it comes from, how is it processed, what you can and cannot do with it after which he answered questions raised by the residents regarding reuse water.

FOURTH ORDER OF BUSINESS

Flagler County Property Appraiser

Mr. Gardner gave an overview of duties and responsibilities of the property appraiser's office then answered questions from the residents.

FIFTH ORDER OF BUSINESS

Update on Lawn Watering Restrictions – Education and Enforcement

This item taken earlier in the meeting.

SIXTH ORDER OF BUSINESS

Consideration of Replanting Plan Proposals (Parcels 4 & 11)

Mr. Gray stated this if the replanting plan proposal that we have discussed in prior meetings.

On MOTION by Mr. Masten seconded by Mr. Gates with all in favor the proposal from Yellowstone in the amount of \$27,450 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Documents Related to Conveyances

Mr. Biagetti stated the first item is consideration of transfer of environmental resource permit to the operation and maintenance entity for the rec pond parcel.

Mr. Duncan stated on August 12th we inspected nine different ponds. The rec pond was inspected before and was found lacking and needed several items to be done including the as-builts were not correct. Since then the board had ETM review the as-builts and they are now showing the correct information, and we agree that you should take possession and approve that transfer.

We also inspected four ponds in Phase 5 and three ponds in Phase 6 and that area is not complete and my recommendation on those was to not accept them for maintenance because the maintenance is going to be very difficult with all the silt fencing and everything that is up on that

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area and there is a lot of construction still going on. There is a pond that has an island in it, it isn't a stormwater pond as designed, it was an existing pond and it was found that Horton still had not transferred it to you and they were still maintaining it. That was also okay to be accepted.

Mr. Gates stated with that pond there is a good 20-yards between the lake and the property. Why can't we give that property to the homeowner?

Ms. Buchanan stated first you need your engineer to confirm that there aren't any public improvements in it and confirm that you don't use it for access for maintenance purposes and there are costs associated with the transfer so you would want that homeowner to pay for those costs, not the CDD and once you do that just prepare yourself for other requests. There may not be any other property similarly situated but frequently there are things like that

Mr. Gates asked what would that usually be?

Ms. Buchanan stated you have to have someone do a survey, title work, legal work.

Mr. Gates asked would it benefit the long term of us maintaining that property?

Ms. Buchanan stated I don't have that number.

Mr. Gates stated the residents aren't happy with the way it is being taken care of and if we take it over, I don't believe we are going to be able to have a proper cutting schedule to satisfy them. Right now it is a jungle back there.

Mr. Garner asked how many properties are involved?

Mr. Biagetti stated maybe 35 or 40, it goes from one side of the pond around to the end.

Mr. Masten stated that might be an issue to address once we got everything else out of here. I tried to buy an easement adjoining my property three years ago and the CDD at that time flatly refused to sell it to me. Even though I said I would take care of it, they said we don't sell property. There is a precedent for not doing it. It doesn't mean we can't change that precedent.

On MOTION by Mr. Masten seconded by Mr. Gates with all in favor the environmental resource permit for the rec pond was accepted for perpetual operation and maintenance.
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Ms. Buchanan stated for the record we have authorized the acceptance of the pond, the transfer of the permit and the addition of the pond to the mowing and maintenance schedule for lake maintenance services.

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Mr. Biagetti stated I can get a proposal from Yellowstone for that maintenance.

Mr. Garner stated the September meeting is for the rate hearing, the regular CDD meeting is in November.

Mr. Biagetti stated I was under the impression that it was a regular meeting if any business needs to be handled. Just like tonight with the budget hearing, the hearing for rates was included in that. We can easily handle that business with Yellowstone at the September meeting.

Ms. Buchanan stated I anticipate and we can ask them not to but as soon as we say the board has approved, they are going to say great, we will record the deed. It would mean postponing that decision. We can ask them to mow but I don't know that they will agree to it. If you want to not be behind it is still growing season we need to do something.

Mr. Biagetti stated if we can get acceptance tonight if you want to vote on it, it is \$7,800, an extra \$650 per month for the rec pond, the pond in the back in Phase 4 and that smaller area and that will match our current mowing standards that is in our contract now, I think it is a total of 37 mows. You will have May, June, July and August it will get mowed every single week and September, October, November you move to bi-weekly and in December and January it doesn't get mowed at all because it is dormant. This would be for the rec pond and the natural resource pond on the other side. They mowed it two weeks ago, and I verified it was mowed. According to them they only have to mow it once a month.

On MOTION by Mr. Gates seconded by Mr. Masten with all in favor staff was authorized to add the two ponds to the Yellowstone contract.
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Ms. Buchanan stated just for clarity have we also had a motion as to where we are ready to accept ownership of the pond with the island? I don't think we have.

Mr. Gates asked they are not going to fix that island?

Mr. Biagetti stated I'm still going to see what I can do. As far as I'm concerned when the district engineer walked with us that day because it is a natural pond and not a stormwater pond it can be left in the natural state. I was also instructed by the district engineer that the board doesn't have to treat the pond with pond maintenance because it is a natural pond not tied to the stormwater structure. If we want anything additional cleaned up out there it is going to come at our cost because it is considered a natural area.

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Mr. Gates stated make sure all the homeowners get a letter saying we are not required to treat that lake because they are going to say, why aren't you treating the lake.

Mr. Biagetti stated the district engineer did state that it would fall on me and maintenance staff to go back there and make sure that pond stays clean. Taking trash out of it, if we start to see limbs in there that would be on me in working with the vendor to get it out. That is on us because we are not having a pond bank to clean it.

Mr. Gates stated it is not traditional cleaning you see with the other man-made ponds.

Mr. Biagetti stated correct. I think we can treat the pond if we want to, it is not necessary because it is not part of the stormwater system. We can add it to our contract if you want to.

Mr. Garner stated let's try not to treat it.

On MOTION by Mr. Gates seconded by Ms. Tabares with all in favor the pond with the island was accepted.

Ms. Buchanan stated that was Phase 4 and your engineer recommends taking no action on Phase 5 and 6. The last conveyance package is the letter from Emily Pierce about the driveway and that is in your agenda package. Ms. Pierce called me about this and I said the board will not give acceptance and that is why you have a cover letter that explains the ask for your further consideration, review and discussion. I'm not advocating one way or the other. If you have questions I would take them back to Ms. Pierce so she could better address them. It is unfortunate when the district was established our petition indicated that the city would take ownership of the roads. When we put together our improvement plan we contemplated that the city would take ownership of the roads. The city did take ownership of some of the roads and it seems like it has changed its mind and is no longer willing to accept the roads. From what I understand Horton put on their plat that they were dedicating the right of way to the city and the city said no, you have to record a new deed, changing the ownership of the property because the city is not accepting them. To hear her tell it she has gone back and forth with the city and exhausted all avenues in trying to convince the city to take the roads. The community is faced with the decision on what do you want to happen with the roads. The likelihood that D.R. Horton continues to own them is zero so you have the option to accept them with the CDD or D.R. Horton will likely look to convey the roads to the HOA. The question is whether it is going to cost more for one entity to own them than the other.

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Mr. Garner asked do they meet city standards?

Ms. Buchanan stated that is a good question. You don't want to take something that is not in good condition. I understand some of the roads are reaching the end of their warranty period, they have the maintenance bond on file with the city. I suggest if Joey has the opportunity to come back and review the condition and make sure that everything was really good like it is supposed to be before we accept it. I don't think it is appropriate to take ownership knowing this is not in good condition.

Mr. Garner stated get Joey to come out and see if these roads meet the specifications of the city, if they don't want to do to let the HOA tell them to do it.

Mr. Masten stated 1A and 1B are the roads that the city already owns, Golfview, Lakeside. Why is that in here?

Ms. Buchanan stated they don't want them. The city returned them. The city said to Horton we are not keeping these roads, you figure it out.

Mr. Masten asked when did that occur? The map says otherwise.

Mr. Buchanan stated I don't know. I think all these conversations with the city happened over the length of the last six months.

Mr. Masten stated there is a disconnect somewhere. I also would say whether a road is to our standards today, after 250 more houses what is the condition of that road then? I wouldn't touch any of these roads until their construction is done. They have trucks coming in and out of here all day long. Why would I buy a road then let them abuse it and I'm stuck with the tab.

Mr. Garner asked in your experience is this normal for Horton or any other developer wanting to unload all the streets at once?

Ms. Buchanan stated what I will tell you is that I only have less than five CDDs where the city or county owns the roads. Typically, it is a condition of development upfront that the CDD is the operation and maintenance entity of the road.

Mr. Masten stated I have had conversations with the city several times a week and no one up until today said they want to give those roads back. They admit they shouldn't have taken them, they are sorry they took them.

Mr. Garner asked do we as a district write the city a letter for an explanation?

Ms. Buchanan stated ask them those things. In my history here I have always questioned why we can't find a resolution on this because the reality is your main drag is very heavily

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trafficked and if Horton is willing and I don't know that they would but if Horton could get the roads up to good condition the city take the main drag and the CDD taking the neighborhood portions nobody would be happy but everybody would feel like they were part of the solution. To the best of my knowledge I don't know what was presented to the city and shot down.

Mr. Masten stated the engineer gave us that map.

Ms. Buchanan stated I don't dispute the fact. My understanding is that the city said this will not stand we are changing it. They are not in the business of owning roads, they don't want them. I need a better understanding from the city so that you have somebody from the city saying yes this is what we asked of Horton, we are telling Horton we are not keeping this. If you have that confirmation that the city is saying no we won't keep these roads, then I think you need to look at your options. I don't really think the HOA is the better option. I really think the city can be a big part of this conversation.

Mr. Garner asked is it better that GMS do it or we hire an attorney to do it?

Ms. Buchanan stated we are not being forced to do anything yet but what will happen if you choose to not act then Horton will eventually decide and give them to the HOA. What follow-up do you want to help in your consideration?

Mr. Garner stated Horton is not going to wait 60 or 90 days if we don't take action it will be dumped on the HOA.

Ms. Buchanan stated I don't have a sense of timing, I can ask. I need to understand what you want staff to review and look into and circle back to you in the next couple weeks.

Mr. Garner stated at the very least they need to be brought up to city standards if we take it over.

Mr. Masten asked if the City of Bunnell owns certain streets listed in this document and they want to give them back to us, doesn't that have to come from them? How can this lady Pierce say the city wants you to do this? Doesn't the city have to come to us and say we want you to take these roads back?

Ms. Buchanan stated when you look at page 16 of the PDF file, the deed says a prior deed erroneously conveyed interest in the property to the city, it was a mistake and the city didn't intend to accept title so everybody thinks the deed is invalid. They are recreating with the deed she provided.

Mr. Masten stated that doesn't make the current ownership go away.

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Ms. Buchanan stated I think the city's position is they don't own it because they didn't intend to accept ownership of it.

Mr. Masten stated we need something in writing from the city.

Mr. Biagetti stated if you want to delegate a supervisor to work with staff we will prepare a letter to the city to have a letter of understanding.

Ms. Buchanan stated ask for a meeting.

Mr. Garner stated I will take the lead on that with you.

The next item taken out of order.

Public Comments

A resident stated we lost a friend and neighbor and we are asking that we be allowed to place a plaque at the pickleball court.

On MOTION by Ms. DeSantis seconded by Mr. Gates with all in favor the request for a memorial plaque at the pickleball court was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2025-04 Resetting the Public Hearing Date to Adopt Rates

Ms. Buchanan stated mid process a new law came into effect that requires 35 days notice instead of 28 days.

On MOTION by Mr. Gates seconded by Mr. Masten with all in favor Resolution 2025-04 was approved.

NINTH ORDER OF BUSINESS

Discussion of Quarterly Report for Special Assessment Revenue and Refunding Bonds, Series 2018

Mr. Biagetti gave a brief overview of the quarterly report for special assessment revenue and refunding bonds, copy of which was included in the agenda package.

TENTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2024 Audit

Mr. Biagetti stated it is a clean audit with no findings or recommendations.

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On MOTION by Mr. Masten seconded by Ms. DeSantis with all in favor the fiscal year 2024 audit was accepted.

Appointment of Audit Committee

On MOTION by Mr. Masten seconded by Mr. Gates with all in favor the board members were appointed to sit as the audit committee.

ELEVENTH ORDER OF BUSINESS

Public Hearing Adopting the Budget for Fiscal Year 2026

Mr. Biagetti gave an overview of the budget process, board review and amendments that resulted in no increase in assessments.

On MOTION by Mr. Gates seconded by Mr. Masten with all in favor the public hearing was opened.

A resident stated my taxes should be \$1,172.51 is that correct?

Ms. Buchanan stated that includes the operations and maintenance portion only it does not include the debt service portion.

Mr. Biagetti reported that there were 13 streetlights in Freedom that were being paid for by the CDD that will now be billed correctly.

Mr. Masten stated we need to see how far back we go to back to bill Freedom for those funds expended by the CDD. The Links has been paying double.

On MOTION by Mr. Gates seconded by Ms. DeSantis with all in favor the public hearing was closed.

A. Consideration of Resolution 2025-05 Relating to the Annual Appropriations and Adopting the Budget or Fiscal Year 2026

Ms. Buchanan stated Resolution 2025-05 is the appropriations resolution, it adopts the budget that you previously considered and reviewed and will be incorporated as Exhibit A. This resolution and the budget attached indicate that your funds are appropriated based on the line items you approved. There is a process for budget amendments, you can move funds between

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line items so long as it doesn't exceed \$15,000 or 15%. Understand if you have a larger change you would just approve a budget amendment by formal vote.

On MOTION by Mr. Masten seconded by Ms. DeSantis with all in favor Resolution 2025-05 was approved.

B. Consideration of Resolution 2025-06 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2026

Ms. Buchanan stated Resolution 2025-06 is what we generally refer to as your assessment resolution. In the budget you just adopted, the main source of revenue is the collection of special assessments so this resolution levies and certifies for collection the operations and maintenance assessment necessary to support your budget. It also certifies for collection the previously levied debt service assessments, both will show up on the property tax bill. This contemplates that all your assessments are collected on the roll, meaning there are no direct billed properties, everything goes through the tax collector. It does authorize the district manager to make any amendments that are necessary.

On MOTION by Mr. Gates seconded by Ms. DeSantis with all in favor Resolution 2025-06 was approved.

TWELFTH ORDER OF BUSINESS Engineer's Report

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. District Manger – Fiscal Year 2026 Goals and Objectives

Mr. Biagetti gave an overview of the proposed fiscal year 2026 goals and objectives, copy of which was included in the agenda package.

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On MOTION by Mr. Masten seconded by Ms. DeSantis with all in favor the fiscal year 2026 goals and objectives were approved.

C. Operations Manager

1. Report

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

2. Yellowstone Audit Report

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

3. Irrigation Pump System Report

On MOTION by Mr. Masten seconded by Ms. Tabares with all in favor the low bid of \$56,086 from All Weather was approved and Rich was authorized to ask M&M to see if they would meet this lower price.

The board and staff discussed the window shades purchase and installation, bus stops and shelters and took the following action.

On MOTION by Mr. Masten seconded by Ms. DeSantis with all in favor staff was authorized to move forward with the purchase and installation of a bus shelter.

The board and staff discussed the possible change over to streaming from Direct TV that was not possible, but staff was able to get a discount from Direct TV and the bill will go from \$215.15 with tax and the new bill will be \$164.91 for the next 12 months.

4. Discussion of Duct Cleaning for the Amenity Cetner

Mr. Gray stated I haven't had the ducts cleaned since I have been here about 2 ½ years and it is about \$1,100 to have that done.

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It was the consensus of the board to move forward with having the ducts cleaned.

5. Discussion of Grills

Ms. Clem stated the grills haven't been used heavily but a few times they have been used and not cleaned very well. I propose to have residents sign a one-time agreement that they would be responsible for cleaning the grills and acknowledge that the grills are not for parties but when staff is not available the grills will have to be locked. When staff is not present we can keep the keys in a lock box and we could give them the code.

On MOTION by Mr. Masten seconded by Ms. DeSantis with all in favor staff was authorized to implement the program as outlined if the grills are misused.

FOURTEENTH ORDER OF BUSINESS

Supervisor's Requests

Additional comments: Landscape enhancement to start at amenity center, playground in common area, right amount of irrigation.

FIFTEENTH ORDER OF BUSINESS

Public Comments

This item taken earlier in the meeting.

Ms. DeSantis left the meeting at 9:50 p.m.

SIXTEENTH ORDER OF BUSINESS

Approval of Consent Agenda

A. Approval of the Minutes of the July 16, 2025 Meeting

On MOTION by Mr. Masten seconded by Mr. Gates with four in favor the minutes of the July 16, 2025 meeting were approved as presented.

B. Balance Sheet as of July 31, 2025 and Statement of Revenues and Expenses for the Period Ending July 31, 2025

On MOTION by Mr. Gates seconded by Mr. Masten with four in favor the financials were accepted.

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C. Approval of Check Register

On MOTION by Mr. Gates seconded by Ms. Tabares with four in favor the check register was approved.

SEVENTEENTH ORDER OF BUSINESS Next Scheduled Meeting – September 24, 2025 at 6:30 p.m. at the Island Club

Mr. Garner stated the next scheduled meeting will be held September 24, 2025 at 6:30 p.m.

On MOTION by Mr. Gates seconded by Mr. Masten with all in favor the meeting adjourned at 9:58 p.m.

Signed by:

Matt Baggett

Secretary/Assistant Secretary

Signed by:

Gary Garner

Chairman/Vice Chairman