

**MINUTES OF MEETING
HARMONY COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, May 31, 2018, at 6:00 p.m. at the Harmony Golf Preserve Clubhouse, located at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
Kerul Kassel	Assistant Secretary
William Bokunic	Assistant Secretary
David Farnsworth	Assistant Secretary

Also present were:

Bob Koncar	District Manager: InfraMark
Tim Qualls	District Counsel: Young & Qualls, P.A.
Steve Boyd	District Engineer: Boyd Civil Engineering
Gerhard van der Snel	District Staff: Field Services Manager
Kristen Suit	District Manager: InfraMark
Chris Tarase	Vice President: InfraMark
Alan Baldwin	Accounting Manager: InfraMark
James Servello	Servello Landscaping
Jason Miguez	Servello Landscaping
Bobby Knowles	Servello Landscaping
Brad Vincent	District Staff: Field Services
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Supv Berube called the meeting to order at 6:00 p.m.

Supv Berube called the roll and stated the record will reflect we have a full Board.

Supv Berube introduced staff.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Walter Woolbick, 3356 Cat Brier Trail, stated: I am new to the area and love it here. About a month ago we had some trees that were being trimmed. I want to know what the Board's goal was for having the trees trimmed.

Supv Berube stated: We have Servello here tonight.

Mr. Miguez stated: For the most part it was for clearance and then to thin the canopies out a little.

Mr. Woolbick asked: For hurricanes?

Mr. Miguez responded: They are not hurricane cut.

Mr. Woolbick stated: The reason I ask is because in front of my house I have a lot of dead limbs hanging over onto my porch. I tried to talk to the guy cutting and he did not give me the time of day. My house lost two trees from the last storm; the crew cleaned them up right away, but it took them a while to plant. I know the Oaks in a good wind will tip over.

Mr. Migues stated: They are not done and something we are going to talk a little bit about tonight. Mr. van der Snel and Mr. Feliciano will be riding around to inspect the property for additional trimming once they are finished.

Supv Berube stated: Part of the process was to move trees back from intrusion on houses, to make sure they were away from all streetlights, and we asked that all trees be moved back from all signs including stop signs. What you are saying has been noticed and we are just not finished yet.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 26, 2018 Meeting

Mr. Qualls stated: I request that the Legal Report be moved to the end on the complaint that was filed.

Supv Berube stated: Section 6.B.ii will be moved to the end.

On MOTION by *Supv Kassel*, seconded by *Supv Bokunic*, with all in favor, the April 26, 2018 meeting minutes were approved, as amended.

FOURTH ORDER OF BUSINESS

Subcontractors' Reports

A. Servello

i. Grounds Maintenance Status

Supv Berube stated: We have Jason Migues - Account Manager; Bob Knowles – Horticultural; and James Servello - CEO.

Mr. Migues stated: I will briefly go over the maintenance done since the last meeting. April 16 - 20 we cut all the common grounds including the retention pond, applied ant bait and Round-up, and detailed both entrances. April 23 - 27 we cut the St. Augustine, applied ant bait and Round-up, weeded the annual beds, and detailed the Splash Park and both entrances. Also, a fertilizer treatment was done on the Magnolia trees on East Five Oaks. April 30 - May 4 we cut all St. Augustine, applied Round-up and ant bait, detailed both entrances, roundabouts, and hand weeded all annual beds. In addition mulching was started. May 7 - 11, we cut all St. Augustine, applied Round-up and ant bait, detailed both entrances, deadheaded the annuals, and also detailed Town Square and the Swim Club. The annuals are starting to look bad and will be changed this week. Prior to changing I will send Mr. van der Snel photos for his approval before I put in the order to have them changed out so everyone is clear on what is getting put in.

Supv Berube asked: Photos of what?

Mr. Migues responded: The new plant material and some stuff that is deer tolerant. The community likes colorful annual beds rather than just one color. This week the black mulch is coming for the pools at Ashley Park and the Swim Club.

Supv Berube asked: What is the status of the overall ongoing mulching project?

Mr. Migues responded: The pine bark is done. We will start with the black mulch at the pools and then we will go to the pine straw in the berm and several areas. It is in progress.

Supv Berube stated: We have always been told we should put pine needles under the Pine trees.

Mr. Knowles stated: With Pine trees they are going to drop needles which will build up and cover bark.

Supv Berube stated: It is the way we have always done it, but it does not mean it is the right way. For the annuals, last year your predecessor did a couple of the roundabouts with larger, more durable plants. There were fewer of them, but they were larger and lasted longer. We have discussed this in general terms, and I do not think anybody on the Board would be against doing that again. Do we have to stick with tiny plants or is everybody good with swapping out big numbers of smaller plants for a smaller number of larger plants?

Mr. Miguez asked: Annuals or perennials?

Supv Berube responded: Annuals. What did they put in?

Supv Kassel responded: They used one-gallon materials.

Mr. van der Snel stated: It was a wildflower mix.

Supv Berube stated: It looked good and lasted a long time.

Mr. Miguez stated: We can do that swapping dollar for dollar, if everybody is good with it. The biggest challenge right now is with the amount of rainfall we are getting we have to be particular with the change-out; there are some annuals you do not want to use right now because they will not tolerate the moisture.

Supv Berube stated: You do not have to do it this time, but keep in mind when we get into these rotations, doing something a little different is acceptable. It has been tried a few times and worked out well.

Supv Kassel stated: Periwinkles are everywhere and are hardy and provide good color.

Mr. Miguez stated: It is an annual you can actually buy in a larger pot.

Supv Kassel stated: It can be quart containers, something that will retain moisture since that area dries out quickly, even with mulch. We are looking for a nice assortment of color and durability.

Mr. Knowles stated: We discussed the tree trimming a little; we are still in progress on it. The west side of Five Oaks and the second entrance down to the roundabout on both sides of the street need to be done.

Supv Berube asked: How about the Estates?

Mr. Knowles responded: Mr. Miguez told me today it needs to be done as well.

Supv Berube stated: They have not been touched there from the entrance all the way through.

Mr. Knowles stated: The crew will be back Monday to start on the trees again.

Supv Berube stated: We agree we are not done.

Mr. Knowles stated: We are not done; unfortunately we are on week three of rain that is setting us back.

Mr. Miguez stated: We did the first core aeration on the athletic fields today. They are recovering and have greened back up, but they are very thin. We will do another fertilizer the second week of June. There is a large amount of goose grass on the fields that I treated today and will retreat in a couple of weeks. We have to be careful with treating it with the grass as thin as it is, we do not want to damage the turf. It is recovering and the best benefit would be if we could rope off the area; maybe it will deter people from getting on it as much as there is still a lot of foot traffic there.

Supv Berube stated: We do not have any paid usage of the fields right now. There is no soccer being played.

Mr. Miguez stated: It would be a benefit if we roped it off for a month. Today while I was inspecting the property there was a large group playing on it not long after Mr. Knowles did the aeration.

Supv Berube stated: Perhaps you may want to rope it off and put a sign that says keep off - treated, or whatever you want to do.

Supv Bokunic stated: The kids are out of school and we are going to rope off their soccer field.

Supv Walls stated: We are trying to ensure they have a soccer field.

Supv Berube stated: There is a lot of other park area there. What they are telling us is they are trying to treat the field and people are all over it.

Supv Bokunic stated: I am curious about the timing; we could not have done it prior.

Mr. Miguez stated: It was being used for events.

Supv Kassel stated: We had soccer going.

Supv Berube stated: There is never a good time to shut down anything; that is the problem.

Mr. Miguez stated: I am sure most of the damage is from the soccer tournaments they were playing, but at this point it is so torn up it needs to be left alone.

Supv Berube stated: Even if you rope it off they are still going to go around it but most will stay off. Put up signage that says Field in Treatment or something.

Mr. Miguez stated: Even if we do it on an every other week basis to give it some rest. The other treatments we did this month were some treatments for chinch bugs and weeds along the right-of-ways. We did find several areas with chinch bugs and we treat them as we see them.

Supv Berube stated: You mentioned morganatic treatment on some Magnolias. There are Magnolias in the Estates on the circular road that look weak. On the sidewalk side someone has trimmed them off, but the trees themselves look like they could use some food.

Mr. Knowles stated: We treated the ones down Five Oaks to see what it does to them. In other areas that I have put it out it is working well. Once we see what it does for them we will move forward to do some of the other trees as well.

Supv Berube stated: The other item I had in my notes was weeds in the beds, but Mr. Miguez got ahead of me and was on a four-wheeler today spraying Round-up.

FIFTH ORDER OF BUSINESS

Developer's Report

A. Discussion of Land Swap

Supv Berube stated: There is not a developer representative here. For those who do not know, Mr. Shoopman is no longer with SunTerra. They had an amicable parting of the ways for personal reasons. I met with Mr. Dick Jerman two days ago, and he has a replacement for Mr. Shoopman coming onboard in the next couple of weeks. Everything that has been promised by Mr. Shoopman, including the lake access and the potential land swap stuff, is in process. What I got from Mr. Jerman was he has no reason to change anything that Mr. Shoopman has told and/or promised us was going to happen. They are still going to get us the permitting for the dock and repairs of the boat house. They are not going to pay for it anymore, but there are some other things going on with the land-swap that are sill up in the air.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

Mr. Boyd stated: Tonight I came to talk primarily about the access road to the garden. Before the meeting I passed out a sketch showing the boundary you are dealing with. I have observed potholes, and the unpaved surface does not perform well. I think this is because it has evolved over time with no intent associated with it. The real reason it is not performing well is it was never crowned and water never ran off of it. When you get a rut or hole started, it continues to get worse and water stands in it. What I would recommend doing is coming in as a repair to the existing course with a road base material, but the key is to put a crown on it so it drains with at least a 2% slope to either side of the shoulder. I took a recent road base cost that I received earlier this week and translated it to a square foot cost for this application. It is installed by a contractor and broken into three components. Section 1 is down to where it curves where the trailer is and is about 577 linear feet - to install a base material and crown it, would be about \$8,655. Around the curve to the garden property would be another \$4,700, and then to take it to the end of the garden would be another \$3,400. I did not get a cost, but did use an actual road base unit cost. My recommendation would be to improve it and to avoid the potholes you need to bring in a base layer of four to six inches with a crown in the middle sloping to each side.

Supv Farnsworth stated: Crowning is fine and understandable. Is there something that is going to hold the crown?

Mr. Boyd responded: It would need to be rolled and compacted. Any unpaved road requires maintenance. You will need to scrape it periodically. At least once a year you will need to put a blade on it to level it out, but maintain the crown.

Supv Farnsworth stated: That is difficult if it is not finished in some way - paved, blacktopped, or something.

Mr. Boyd stated: It is possible to maintain an unpaved road.

Supv Kassel stated: They used to scrap it, but not for the purposes of a crown.

Supv Berube stated: Mr. van der Snel and I had some conversation about this. You have all seen a skid steer loader; it has a flat bottom bucket and is made for this kind of work. Once you get the shape of the road, the crown and all the holes filled, this is a double drum vibratory roller being used on road base material. The drums vibrate so it shapes everything down flat and compacts it. You add water to the mix and, because of the limestone, it compacts it and turns it almost into a cement-like surface. We could rent these machines and Mr. van der Snel and the guys could do this road for substantially less money. The other thing we have to remember is we now own the garden which has the shell rock paths and there has been a request from the garden manager to fill in the paths and smooth it out as it is worn away. We also own the commercial vehicle parking area at the end of this road which is going to need maintenance at some point; it has been there for about five years. We might as well get used to the fact that we are going to have many square yards of the same surface that is going to need routine maintenance. Once we do the road the first time and get it right, it will be quick. You do not let it get to the point it is now.

Supv Bokunic asked: What is the cost?

Supv Kassel responded: You're not talking about putting fill-in; you're just talking about grading as it is.

Supv Berube stated: No, fill the holes.

Supv Kassel stated: You are talking about spending this money.

Supv Berube stated: Half that amount of money.

Supv Kassel asked: Why half?

Supv Berube responded: Because of internal labor, you are not paying a contractor.

Supv Farnsworth asked: How much is the material itself going to cost?

Supv Berube responded: It is cheap.

Supv Bokunic stated: That is the question I was asking.

Supv Farnsworth stated: The material is cheap. How do you get it here?

Supv Walls asked: How many roads have these guys built?

Supv Berube responded: You are not building a road.

Supv Walls stated: The do it yourself stuff sounds great, but if we are going to do it, I want it done right and nice, and I am willing to pay for that rather than go the cheaper route and have to maintain it all the time.

Supv Kassel stated: At least you know you have a professional to start with.

Supv Walls stated: If there are issues with it, you say come back and fix this.

Supv Berube stated: Every time we have discussed having field services do something it becomes a conversation of I do not know if our guys can do it. Look at the work they do; everything turns out nice, everything is maintained well. You have to give them a shot.

Supv Walls stated: Nothing against the guys, but the stuff we have converted over is not for building a road. It has been smaller tasks; I would prefer to pay a professional to fix it and make it nice. If there is an issue with it we call them and they fix it under the warranty.

Supv Kassel stated: How about we get a couple of bids to get the work done and get a bid from field services for what they think it is going to cost for all the materials, what kind of labor it is going to be taking away from other work and also the cost for rentals and other associated cost and then we can evaluate it.

Supv Berube stated: We can do that.

Supv Kassel stated: It means the road is going to be crappy for a while longer.

Supv Walls stated: We are going to have to get quotes anyway. We need to start the process.

A resident (Marilyn) asked: Have you taken into account the drainage? When you first go in there is a swale there and the dump trucks went in and crushed down the pipe where the water runs down. Someone dug it out at the last rainfall and now somebody has filled it in. Have you taken into consideration putting another pipe in there so the water can run from the swale down along the road?

Supv Kassel responded: That is another consideration; the M Neighborhood has yet to be built and that is the primary access for that roadway. As Mr. Fusilier's development happens, the road is going to get torn up by the equipment going in and out of there.

Supv Berube stated: That is why I want to do it cheap at this point.

Supv Walls stated: We do not have to give them access to that.

Supv Kassel stated: It is a pipeline.

Supv Berube stated: You cannot keep them away.

Supv Walls stated: They are a private entity.

Mr. Boyd stated: They have another access. Neighborhood M will come in off of Five Oaks with a new access. One way to discourage use of it is because it is the gas easement itself and the heavy construction equipment should not be going back and forth continuously.

Supv Kassel stated: Perhaps we can get a letter from you stating as much.

Supv Berube stated: I do not think he is anywhere close to starting the development. We know where we are going and will get a couple of bids.

Supv Walls asked: If we build the road, what is the life span? I am thinking I have a boat and trailer and I drive down to Lake Kissimmee, and they have this long dirt road. This thing was constantly potholed all the time because of the boats and trailers, which is happening here because of the storage. What they eventually did with the road to Lake Kissimmee is pave it. If we lay down another dirt road what are we looking at - one year, two years?

Mr. Boyd responded: I do not have a lot of experience projecting the lifetime of that. I would expect you are going to need to grade it at least once per year. As far as how long before you would need to do the base, I would not be surprised if it is every five years. Unfortunately you are limited in what you can do in this case; you do not have the opportunity to pave it permanently.

Supv Kassel asked: Is the square the gas easement?

Mr. Boyd responded: It is the gas easement.

Supv Kassel stated: We cannot go to one side or the other to pave it.

Mr. Boyd stated: On the south side it is developer owned land. On the north side there is a piece owned by the CDD; then you get into the contract which is part of the golf maintenance facility owned by the developer as well. There are wetlands constricting both sides as you get close to Five Oaks. There is not a practical way to put a road on the south side, there may be with the developer's cooperation some way to sneak something in on the north side, but you are really close to the wetland.

Supv Berube stated: Then you get into permitting with the County and everything else and it will never get off the ground.

Supv Walls stated: What I am getting at is long term. I know we do not have land elsewhere, but is it the best place to keep the storage area all the way down that road? You are going to be maintaining it forever.

Supv Kassel stated: We have the community garden, we have the landscaper compound, and we have the RV parking. We are talking maybe an average of \$4,000 per year to maintain the road.

Supv Bokunic asked: What kind of money is the RV parking generating?

Supv Berube responded: That is coming up. We will have to hold a public hearing to determine what the rates are going to be for both the garden area and the parking facility. District Counsel and I have spoken about it and both of those facilities need to be self-sustaining because you cannot shift the burden of cost to all the rate payers because they are exclusive use.

Supv Walls stated: Part of self-sustaining should be a portion of maintenance on the road.

Supv Berube stated: What complicates that is we have Servello in there.

Supv Walls stated: I said apportion based on usage.

Supv Berube stated: It would be easy to say whatever this road costs to fix gets allocated between the RV parking area and garden, but it is not that simple so we have to figure it out. The first step is contracting out the management of those two facilities. We do not want to do it; I do not think. It is being run by Association Solutions, we will have a contract and there will be a small fee for managing it. We will have to look ahead one year to figure out what we will need for income from those two facilities, we will have a public hearing in the next month or two to set the rates for the two facilities. There is a lot of work going on behind the scenes to figure this out; it is not easy when the developer just says here you go. It turns into a lot more complexity as we get into the governmental rules and regulations.

Mr. Leet asked: Along with resurfacing the roadway to get back there would this be the time to look at an expansion of the storage area?

Supv Berube responded: Probably. We would have to figure out what it is throwing off in money, and the new rate structure is going to rise and may take some of the 99% full reality away from it. Before we expand we have to stay at a high usage level. If the rates get settled and are acceptable, we keep a full facility and have a waiting list, as we have now, then certainly we would have to look at expanding it. The land is there but we would need estimates on how much to expand it, how much is that going to change the rates, what our fill rate is going to be and we are just not there yet. I am aware of the fact that it is full, but we have a lot of other stuff to handle before we get to that point. It is a good question.

An unidentified speaker stated: On the road the shell would be your best bet for sustaining it and for price; even if you have to redo it every year. If you look at the parking lots, they black top them at least once per year.

Supv Berube asked: Have you been involved in road building before?

The unidentified speaker responded: My father-in-law and brother-in-law have been in the concrete business for over 30 years, so I know a little bit about the concrete business. My brother-in-law used shell for his driveway rather than concrete because it was so much cheaper. Once compacted, it is like concrete and does not go anywhere. You might have a hole once in a while, you fill it in, compact the hole, and you are done.

Supv Berube stated: The long term maintenance is coming up during the budget hearing when we do those. We know where we are going with this for now; we have to get a couple of contractor quotes and you need to figure out what you think it will cost field services to do this, and hopefully we can get it all together for next month and revisit it then.

B. Attorney

i. Legal Memo: Options for Parking & Garden Facilities

Mr. Qualls stated: The first item is the memo we sent for options for Parking & Garden Facilities. At the last meeting, given the fact that the developer has conveyed these facilities, there was discussion of the ongoing management of those facilities. Essentially, what the memo lays out is the legal framework. Both of these facilities are District facilities and your purpose is to manage the infrastructure of the District. The point we need to get to is where you are on the same page as to how that management should take place. The discussion last month, as I recall, was we have the HROA managing this under a license agreement with the developer and if there is a way for the HROA to continue the management of the facilities. There is a way, but it is not the same way it was being done. Before, it was a private landowner granting an exclusive license to the HROA to manage the facilities. As a government you have an additional set of things under law that you need to do to manage the facilities. The Chairman got into it a little bit, and it is semantics, it is not that you are going to have the HROA manage this for you, it is that you are going to manage it and you have to decide the

best way to do that with one of your options being to subcontract with the HROA just as you would for Servello for landscape. The next piece is you want to charge user fees for the use of the parking facility and going back and forth with the HROA, I am not sure how it works with the garden facility. You can get into those details, but the main point I want to make sure to convey on the record is if the District is going to move forward and charge user fees for use of those facilities it has to be done through a resolution and we included a draft of a resolution based on what we initially received from the HROA. That is the framework for how to move forward, I am looking for some direction on what the next steps are. If you were to choose to manage this through HROA, we drafted an agreement and sent it to Mark at the HROA, and he has reviewed it and provided some feedback. We can continue to iron out that contract, or another option is to manage it through other means, such as Mr. van der Snel. I am not suggesting any policy, but I do not view this any differently than how you would manage a pool. Certainly, there are some efficiencies and some wisdom in continuing to manage through the HROA. The HROA is used to it, they have a system, but remember the District also has other options and if the District were to determine to manage this directly and not subcontract, that would be a possibility too. You have options and we need direction on how you want to move forward.

Supv Walls stated: Currently, the HROA is managing it as part of their fee through the HROA. My assumption is that would continue in terms of we will let you continue to manage the facility and the HROA picks up the fee of the management company, we impose a fee through the public hearing, resolution or whatnot, and use those monies to maintain the facility ourselves, either by contracting out to fix the road or whatever we do. It is kind of like it is now, but we are setting the rates, in terms of usage, rather than the HROA. Has the HROA considered that or would they come back to say they are going to charge the CDD a fee to manage it on top of what the HROA is currently paying us?

Supv Berube responded: The structure for Mark's work to manage it under the CDD is more complex. It puts him at risk, as every contractor is to a certain degree. Mark is not big on charging \$3.84 for every hour he works, so if we said we need to work this into the current rate structure, I do not think he would be against that and if he did want some additional monies it would not be a huge amount. Has Mark mentioned anything about a fee for continuing the management?

Mr. Qualls responded: I had not thought of that. What I am talking about is right now users who want to park a vehicle there are charged for the privilege of doing so. I am saying if that is to continue, the only way I know to do so is for the CDD to adopt a resolution. The reason you can raise those fees is to cover the charges for managing the facility, so you have to figure out the proper amount where you can cover however you want to manage it, and you also have to cover the ongoing maintenance.

Supv Walls stated: To me, the fee is of no consequence to the HROA management company. If we say it is our facility and we are going to maintain it they have no care what we charge people because it is on us. Typically when you draft an agreement and contract with somebody to perform a service, they ask for a fee. They are agreeing to do this based on what the HROA is currently paying them because they built that into the structure.

Supv Berube stated: Mark sent you back his concerns and it had to do with the out clause and things like that, but he did not bring up a fee either.

Mr. Qualls stated: No, but for any contract you have must have an offer, acceptance and then bargain for consideration; which is what induces the parties to enter into the agreement. I always assumed, I believe, that out of the fees used to charge for the parking facilities, a portion of that would go to whoever is managing the facilities. That would be the consideration and the reason they would do that. I need to look at the contract to see what it says.

Supv Berube stated: The bottom line is right now, it not the HROA that is going to be managing, but the HROA management company, Association Solutions. Mark took on all the committees, the garden and the parking as inclusive in his fee. What would change is some of the management structure but I do not think it is going to increase his duties that much. To go back to what District Counsel said about giving it on Mr. van der Snel, it is too much.

Supv Walls stated: I am not saying we should change the structure, but typically you have some consideration in the agreement when you enter into a contract.

Supv Berube stated: We have some details to work out. The contract is not ready to be done yet. What District Counsel wants to know right now is do we want to continue to allow Association Solutions to manage the two facilities - the garden and the commercial vehicle parking area - now that they are under our ownership? Do we want to proceed with that and then roll with detailing the contract and all the fees and such as we get there?

Mr. Qualls responded: The devil is in the details, but what you said was the District would use Association Solutions. I think the way we drafted the initial draft, the comments back from Mark are, should this contract be with the HROA?

Supv Berube responded: He said that because the HROA pays him.

Supv Walls stated: It should be with the HROA because they contract it and are contracting it out.

Mr. Qualls stated: When you are thinking through, we are going to contract with the HROA, who has a contract with this person to do it, so it starts getting a little more complicated than just management. I am not telling you policy wise how to do your job, you can accomplish it in multiple ways; I just want to throw out the considerations to guide.

Supv Berube stated: The fine difference between saying it is Association Solutions managing it or the HROA managing it, is a legal twist that you use your best judgment. You want us to give you guidance that we want the current management of those two facilities to continue as they are accepting CDD ownership of the two facilities and subject to future change as we get into the details of the contracts. Do we want to continue with the current management of the two facilities is your immediate need.

Mr. Qualls stated: That is based on how we move forward. Mark has come back to say it should be with the HROA. We need to get before the HROA to make sure there is a meeting of the minds. Are we going on the right track? Does the Board desire to initially accomplish the management through a third party? Is that clear?

[*The consensus is yes.*]

Mr. Qualls stated: We will come back with options. We will need to advertise if we are going to set rates, so at some point I am going to need somebody on the Board who can give me guidance and double-check to say the fees in the resolution make sense or do not make sense.

Supv Kassel stated: This resolution mentions today's date, but also talks about a schedule. Do we have to do a workshop?

Mr. Qualls responded: No. You have to adopt a resolution at a public meeting.

Supv Kassel stated: This resolution says the fee schedule for leasing use set forth on the attached Exhibit A is hereby adopted pursuant to this resolution. We can do that afterwards?

Mr. Qualls responded: You can do that at your next meeting, but I need to put the initial Exhibit A in the advertisement so people can see it and come in to lodge their concerns.

Supv Kassel stated: We do not know the costs of maintaining, enlarging or managing.

Mr. Qualls stated: What we know is what is charged now by the HROA and I am not clear on the garden facility. I did not know if people paid for that.

Supv Kassel stated: They do.

Mr. Qualls stated: Then we need to get all of that. The change is it has gone from a private owner to a public owner and this is what a CDD has to do. There is good reason for it and all of it normal. What I am hearing is you want to move forward with the HROA as the initial option and you want to try to adopt that and get it done at your next meeting.

Supv Walls stated: We need to get the data from the HROA to determine what the fee should be and we need to add up what our maintenance costs are going to be to set the fee at the appropriate level.

Supv Kassel stated: What our fee should be we will not know.

Supv Walls stated: Someone will have to pull the maintenance costs or an estimate of the costs and set the fee based on how many people we think we are going to have there, how many spaces and all of that.

Mr. Qualls stated: That can change after the public hearing. Say you have a liaison work with us to publish the initial schedule - you can tweak that. I am only giving you this advice if you feel compelled to get this done next month. You want to have a draft resolution to go through it at the next meeting and adopt it at the following meeting.

Supv Walls stated: I am fine with next month as I assume the fees are not going to change a whole lot.

Supv Kassel stated: They will; look at the fees.

Supv Berube stated: That is just a guess; it is not right. I do not know where that came from, but it is not right.

Mr. Qualls stated: That is the information we got from the forms.

Supv Berube stated: The \$25 is monthly, not annually and they are changing starting with the roll this month.

Mr. Qualls stated: We have to take what they are now and I need some way to work with one of you because of the Sunshine Law to say here is what that is based on, here is what we think we are going to need and this is a schedule we can publish to get to the Board to make a final determination.

Supv Walls stated: I will volunteer the Chairman to do so since he has access to the information.

Mr. Walter Woolbick stated: You have Mr. van der Snel who is probably going to do the maintenance of the roadway. Do we not want to have our team do that for the community?

Supv Kassel responded: There is paperwork and money changing hands.

Supv Berube stated: We are not talking about managing the physical structure, we are talking about the paperwork. We do not handle money and is why we let a management company handle it. It is the data that is troublesome here. If you want I will become the liaison and we will figure it out.

Supv Berube MOVED to continue allowing the current management company, through the HROA, to manage the two facilities as the CDD works through the details and moves toward getting contracts in place and setting a public hearing at some point in the future to adopt yearly rates.

Supv Kassel asked: Can we do that without needing a resolution?

Mr. Qualls responded: Yes. The way I understood the motion is we are continuing to move forward to try to iron out a deal so the HROA manages this and it will all be brought back in front of the Board at the next meeting or a subsequent meeting.

Supv Berube stated: That will happen at some point when it all makes sense.

Supv Kassel seconded the prior motion.

Supv Berube stated: We have to be legal in what we are doing.

On VOICE vote, with all in favor, the prior motion was approved.

Mr. Baldwin asked: The fee schedule states plus sales tax; who is submitting the sales tax to the State?

Supv Berube responded: The HROA management company.

Mr. Baldwin stated: I just wanted to make sure.

An unidentified speaker asked: Does the garden need to charge tax, too?

Supv Berube responded: I am not sure; we will figure that one out. We just got into the sales tax issue a few months ago. We figured out there was a problem and escrowed money because there was about \$7,000 due to the State.

Supv Kassel stated: The fee could include taxes; you could have a round number.

ii. Report and Recommendations of Legal Complaint

[This item will be addressed later in the agenda.]

iii. Update on Contracts

a. Hardscape Contract

Mr. Qualls stated: The hardscape contract has been signed by both parties. I worked with the Engineer and we are determining if a permit is required. It depends on the square footage for the hardscape.

Mr. Boyd stated: I do not believe it is going to require permit, but I will verify that.

b. Sod Contract

Mr. Qualls stated: The sod availability, supply and demand problem still exists.

Supv Berube asked: Did you ever get a call back from Billy?

Mr. van der Snel responded: No.

Supv Berube stated: I think there is something more going on with the sod as I am seeing sod going up and down 192 every day. The world has not stopped for lack of sod; something is wrong with what Servello is telling us.

Mr. Qualls stated: I followed up with Mr. Feliciano about a week after the meeting and he said it is still the same issue. I am happy to follow up again.

Supv Berube asked: Can you get a little more involved to see if we can buy sod and at what prices?

Mr. van der Snel responded: Okay.

Supv Berube stated: You know the square footage. See if we can buy it directly and then we can put Servello on the spot and say if we can buy it why can't you? This is going on and the sod is continuing to decline. It is the only thing we have not fixed from the prior landscaper.

An unidentified speaker stated: From what I have heard from the builder on my street, the issue is specifically with St. Augustine. Bahia and Zoysia are still okay. The builder has the same issue.

c. Field Restoration Contract

Mr. Qualls stated: The field restoration contract was completed shortly after your last meeting.

iv. Legal Memo: SNAP Program and Premises Liability

Mr. Qualls stated: The last was to provide more information based on the discussion the last time. In addition to that, we looked at what some other Districts do. The legal memo is there as an FYI unless there are questions, comments or concerns.

Supv Berube stated: Pretty straightforward, as usual, you did a good job. The only part of your job that is not good is your budget line item.

Mr. Qualls stated: I understand that. I will say this, we serve at the pleasure of the Board, but this is a growing community. I will put our fees and work up against any other firm in the country.

Supv Berube stated: If anybody had a problem with your work you would have heard about it.

Mr. Qualls stated: I guarantee that would be true.

C. Field Manager

i. Facilities Maintenance

Mr. van der Snel stated: Good evening. You have received my reports. Are there any questions or concerns?

Supv Berube asked: Why are we spending so much money?

Mr. van der Snel responded: We try to make Harmony more beautiful. Harmony is getting older and we notice that stuff has to be replaced.

ii. Facilities Usage Records

iii. Resident Submittals

[The monthly highlight reports are contained in the agenda package and are available for public review in the District Office during normal business hours or on the website.]

iv. Pond Maintenance

Supv Berube stated: Supervisor Farnsworth, I know you get into the charts, but you did not with Servello and their chart was not really reflective of work performed. You did not give them a hard time.

Supv Farnsworth stated: I gave up.

Supv Berube asked: For the pond maintenance, any concerns?

Supv Kassel responded: It says in Pond 5 there is no visible indication of Hydrilla which means the SeClear has worked.

Mr. van der Snel stated: I cannot guarantee that.

Supv Walls stated: It has gone; it will be back.

Supv Kassel stated: For Pond 43 - in a state of regression, noticeable decline. Is that still the case?

Mr. van der Snel responded: Yes, you can still see the Hydrilla; however, it is not actively growing. The residue is still there so it is very hard to say.

Supv Kassel asked: When is the next time we can count on having to treat this?

Mr. van der Snel responded: I have no idea.

Supv Walls stated: Once per year.

Mr. van der Snel stated: It depends on whether Hydrilla becomes a nuisance and is going to take over the pond or if it is in spots.

Supv Berube stated: Based on our experience we can be assured we can beat it back. I do not think we will ever eradicate it. This year with the new sprayer if we hit it with the SeClear again, it will have a more effective blast at it. The chemicals work better with the new high pressure sprayer.

Mr. van der Snel stated: It was SonarOne.

Supv Berube stated: When you watch, it blows it apart and the chemicals mix in under the water. It is impressive to watch that thing. I think Hydrilla is relatively under control.

v. Basketball Court Resurfacing Proposals

- a. Stewart Tennis Courts & Fencing, Inc. - \$4,800**
- b. Cross Court Resurfacing - \$4,800**
- c. Sports Surfaces, LLC - \$5,500**

Supv Berube stated: There are three proposals for basketball court resurfacing and they all say their method is the best. You have spoken with them and they are all within 15% of each other; who do you like?

Mr. van der Snel responded: I think Stewart was the first to come out and were really on the spot with the \$4,800 which they said was the lowest available and they were right because there was nobody that dove under that. A service is a service, and I think it is really important we put in the contract that leveling will be done and there will be no more puddling.

Supv Kassel stated: The guarantee Stewart provides simply says the service comes with a one year guarantee against unusual fading. These are expansion joints, and we cannot seal or fill them, as they need to be active. Their guarantee is not for ponding. Cross Court says it may not be possible to entirely level. So they are not going to guarantee ponding either.

Supv Walls stated: Sport Surfaces had a two year warranty. Both of the others were one year.

Supv Berube stated: They have a lot of caveats.

Supv Farnsworth stated: The one thing which caught my eye with the comment about expansion joints is that it is an awfully big crack for an expansion joint.

Mr. van der Snel stated: They exist already.

Supv Farnsworth asked: Are you saying you have big expansion joint dip and you cannot do anything about it? That is not true. The only place the crack shows up is right there. It does not show up anywhere else down that line. It is a crack and they did not fill it; it is not very impressive to me.

Supv Berube stated: You realize this is not our court.

Supv Farnsworth stated: I know that. I am talking about this particular outfits work?

Supv Berube stated: They are all saying they are going to leave the expansion joints.

Supv Farnsworth stated: They are not going to leave them like that.

Supv Berube stated: It is an expansion joint.

Mr. van der Snel stated: It is common to have that.

Supv Berube stated: You have to; the sidewalks are the same way.

Supv Farnsworth stated: The material you put in an expansion joint is flexible; you do not leave it as a big hole, there is something wrong with that.

Supv Berube stated: All three address the expansion joints and say they are going to leave them. Two of the three talk about grinding the surface to get it reasonably flat and one says they are going to put a liquid leveling agent into the low areas. They said they will flood it after they grind it to look for low parts and fill the depressions to limit the puddling. I think with any of them we are going to have a better surface than what we have now. What is there was done by the developer on the quick and the cheap and the first time it rained we said now we see why it was cheap. You read it all Mr. van der Snel, you spoke with them, who was the most responsive? Who do you think you would like to deal with? I think you already said Stewart because the guy showed up and was straightforward.

Mr. van der Snel responded: The lady showed up on time, was very responsive and the first pricing they gave was \$4,800.

Supv Berube stated: Normally you throw out the high and the low, but we have two lows and one high and based on our Field Manager's process I am going to go with Stewart.

Supv Farnsworth stated: I want to hear his reaction to Cross Court before you jump down the road.

An unidentified speaker asked: Is there a local business?

Supv Berube responded: Stewart is Bradenton.

Supv Kassel stated: Sport Surfaces is West Palm Beach.

Supv Farnsworth stated: Cross Court is in DeLand.

Supv Berube asked: What did you think about Cross Court?

Supv Farnsworth responded: The reason I want to know is, when I read through all the reports and looked at everything else, I was favorably impressed by the paperwork that shows up with Cross Court, but if you have something against them, that is fine.

Mr. van der Snel responded: I agree that the paperwork was very complete. I have never dealt with them before.

Supv Farnsworth asked: Have you dealt with Stewart?

Mr. van der Snel responded: No. We have never resurfaced before so it is all new to me. I am not an expert.

Supv Berube stated: The most expensive one mentions grinding it, flooding it, and filling after flooding.

Supv Kassel stated: That is Sport Surfaces.

Supv Walls stated: Their proposal seemed the most comprehensive to me and looked the most professional, in terms of the work they have done. You are talking \$700 and they had the two year warranty.

Supv Berube stated: Stewart alludes to filling the depression with their material, but they do not state specifically.

Supv Kassel MOVED to accept the Sports Surfaces, LLC proposal, and *Supv Walls* seconded the motion.

Supv Berube asked: What did you think when they talked to you?

Mr. van der Snel responded: I would go with Sports Surfaces, too, if you provide a warranty in your quote.

Supv Kassel stated: The others do as well, but they provide double the length of time and as Supervisor Walls said, their proposal is the most comprehensive. They are addressing the biggest problem we have which is the ponding on the court. They address it more thoroughly than any other bidder.

On VOICE vote, with all in favor, the Sports Surfaces, LLC proposal in the amount of \$5,500 was approved.

Supv Berube stated: Mr. Qualls, we will need a typical contract. There is a 50% deposit; Inframark, we will need a check in anticipation of District Counsel preparing a contract. When will the contract be ready?

Mr. Qualls responded: We can have it early next week.

Supv Berube stated: Perhaps we can have a check in 10 or 12 days.

Mr. Koncar stated: We can have it ready in a day as long as we get the contract and invoice.

Supv Berube stated: When the contract is ready we will get it signed by Sports Surfaces and request an invoice at that point and get it over to you.

SEVENTH ORDER OF BUSINESS

District Manager's Report

A. Financial Statements for April 30, 2018

Mr. Berube stated: Before we get into that, if you will, bring up the picture that says OUC invoices recap. For about the last five months we have been going back and forth with Inframark, and Inframark has been going back and forth with OUC. The invoices from OUC have been a mess. It has been compounded by the fact that we made two payoffs in the time period that is affected by these erroneous invoices. It started August, 2017, the invoices went haywire and have been high, low and in between. You cannot tell what is right because the payoffs we made are not reflective; you have to manually plug those in. The bottom line is starting in July 2017 we should have been paying \$15,656 in total to OUC. Around February 2018, because we made another payment in January to take the OUC bills down further, our billing every month should have dropped to around \$14,295. When you go back two years you can see that our OUC bills month-to-month are steady. We pay this much for electricity, we pay this much for maintenance, we pay this much for investments and here is

your monthly number. What I did is pick what the monthly number should be including the payoffs and everything. On the right is the monthly bills we have received from OUC in total - \$18,000, \$21,000, \$22,000, \$18,000, \$16,000, \$13,000, \$20,000, \$28,000, \$27,000 and \$17,000. It is haywire and before this started last August they were consistent. OUC has been coming back and I think Inframark has a meeting set up again with OUC next week. What I am saying is in this time period we should have paid OUC approximately \$160,000 and we have paid them \$211,000. We have overpaid by my reckoning - \$45,000. It is not easy to figure it all out because somewhere in there they started charging us sales tax, Osceola County taxes, and a really nice line called a discretionary sales tax. Nobody knows what a discretionary sales tax is, but it has showed up on our bills. You have to figure all of that in and when you look at our budget we are a couple of thousand dollars over budget on electricity which is basically the sales taxes we should not have been paying. Our electricity line should stay fairly consistent; it has stayed consistent and it is the investment and maintenance that has gone haywire, and we are about \$22,000 over budget so far this year on the streetlight buy-downs; that should not happen, it should be dropping. That is where we are at, that is my number and I think it is pretty accurate. It may be a month here or there based on when the payoffs took effect, but I am thinking they owe us \$45,000. Your last capture of where we were last month indicated you thought they owed us about \$30,000, but again it is all flexible based on when the payoffs took effect and the sales tax issue. Hopefully, OUC comes in next week and says we owe you \$45,000 or more. If it is less than that, we are going to have some conversations.

Mr. Koncar stated: We are working on the final analysis on our side, but there is a meeting next week and OUC has promised to have final numbers for us. They have been telling us this now for six weeks.

Supv Berube stated: They have had every excuse under the sun. When you look carefully at some of the invoices there are pages of credits and recharges and re-credits and un-credits, it is mind-boggling. We have also taken both TOHO and OUC off of ACH because right now they just send the bill and take the money out of our account, and that is not right especially when it looks like this. It is not in this package, but the May 14th billing is wrong again.

Supv Walls stated: This is not atypical of OUC. My utility budget at work is several magnitudes greater than this and they cut us a check for millions for improper bills.

Supv Berube asked: Did you have to hire a forensic auditor to get to that?

Supv Walls responded: No, after a couple of months you start seeing the differences.

Supv Farnsworth stated: This is the OUC from this month's invoices and already the monthly investment to them for loans should be at \$8,800 and they billed us \$13,500.

Supv Berube stated: In the email I received from Mr. Dan Seabrook, he is apologetic about how long it is taking and they have to get their accountants and legal department involved, but he throws the blame back on us because of the number of streetlights we have and the number of contracts we are buying out.

Supv Kassel stated: It is because nobody else does it and when you want to pay cash to buy a car they charge you more money because they make money on the financing.

Supv Berube stated: We pay a premium every time to buy them out.

Supv Farnsworth stated: It is roughly 10%.

Supv Berube stated: We started this three years ago and you can look at the data to see when we make a payment the investment line goes down. They had it right until August, 2017.

Supv Farnsworth stated: For the two prior years it happened exactly in step and in 2017 everything went haywire.

Supv Berube stated: It went wrong and has not gotten anywhere close to right again.

Mr. Koncar stated: For the May bill we have not paid it because we saw there were problems with it, we took them and TOHO off the ACH and we are still holding the May bill.

Supv Berube stated: TOHO is a little different. If you will remember a year or two ago TOHO revised the way they charge for irrigation water and put it on a tier system. The more water you use the more expensive the tiers become per gallon so you are going to realize it is getting expensive to run the sprinklers and you are going to back off. They found out on the 2-inch meters something is wrong. All of our 2-inch meters immediately went to tier 4 paying the maximum rate. Somebody got into it with them and three or four months ago they gave us some credits on all the meters with 2-inch valves. Those credits have been sitting there and we have been crediting back a little at a time. There is still one worth \$6,000 and it is going to take 12 more months to credit it back. We had the conversation with them and they said we might have made a mistake and you can ask for the money, but if you do we will ask for an internal audit and you might lose your credit. Basically, they said let us credit it down for the next 12 months or so and it will all go away and that is what we are going to do, just let it filter down. TOHO is going to work itself out, it is just a matter of trying to recapture the credits quickly and they did not want to do that. There has been a lot of work going on with utility billings in the last couple of months.

Mr. Qualls asked: If payment is withheld will OUC turn off the lights? If so, what is the consequence of that?

Supv Berube responded: There will be a two week moratorium on payment before they will take any action. I am going to suspect that if we do not come to agreement with the meeting next week we will ask for further extension. They do not disagree that they are wrong; they just cannot tell us what the problem is.

Mr. Koncar stated: The first item is the financial statements; they are in your agenda package starting on page 144. Are there any questions?

B. Invoice Approval #217, Check Register and Debit Invoices

Supv Berube stated: Next is approval #217. Are there any questions or concerns?

On MOTION by *Supv Berube*, seconded by *Supv Walls*, with all in favor, Invoice Approval #217, in the amount \$301,678.66, the check register, and debit invoices were approved.

Supv Berube asked: For the debit purchases did your card get squared away?

Mr. van der Snel responded: Yes, I have a new card.

Supv Berube stated: I think the Board saw a note from Mr. Koncar earlier this month that there was a problem with some fraudulent purchases.

Mr. Koncar stated: We cancelled the card and got Mr. van der Snel a new one.

Mr. van der Snel stated: Also, the Home Depot card is cancelled. We have been hit twice with fraud so I took the liberty of cancelling it. We just have to pay everything with the debit card.

Supv Kassel stated: I have the same issue, every three to six months somebody scams my card and I have to have a new one issued.

C. Distribution of Fiscal Year 2019 Proposed Budget; and Consideration of Resolution 2018-3 Approving the Budget and Setting the Public Hearing

Mr. Koncar stated: We distributed the budget to you and I would like to point out a couple of things that are important in the consideration of the proposed budget. Tonight we are presenting this as a proposed budget. For the approval of your proposed budget you set your highest level of assessment. When you go to the public hearing to consider the final adoption you can reduce it, but you cannot increase it. Whatever you decide tonight will be your highest level of assessment you can assess the residents. You can change the budget as you move into your final public hearing process you just cannot increase assessments. A couple of key items we discussed a couple of meetings ago, you will notice on your revenue on page 223 of your agenda package, we are showing all of your collections now to be on-roll. What that does if you look under administrative you will see your miscellaneous cost of collection has gone up by about \$12,000. In this year's budget there were still items showing up as direct bill to the developer. The other items to highlight are the administrative budget is pretty much the same with the addition of some increases for the engineering and legal services. On the total projected you can see where you are year-to-date on the expenses. Also on general liability, there is a proposed reduction, as we think it may come in less than what you budgeted for last year.

Supv Berube stated: We just added multiple acreage to our ownership with the developer.

Supv Kassel stated: We also added the RV parking and a garden.

Mr. Koncar stated: It is going to affect it and I will talk with Ms. Paula Davis to see how much with the added acreage and the RV parking.

Supv Kassel stated: The garden also.

Supv Berube stated: The RV parking and garden are just on the acreage.

Supv Kassel stated: We are responsible for the security and maintenance of those facilities.

Mr. Koncar stated: I will check on that and get back to the Board. Your Field Management is flat for this year. The only question I had about that is if there is going to be an increase for your personnel or what we do with medical; the projection for this year is \$198,000. Medical and any type of cost of living could impact the number.

Supv Berube stated: Even if you added 5% to \$200,000 it is \$210,000 against a \$230,000 budget.

Mr. Koncar stated: I wanted to point it out because this is where you are going to make your decision on any type of cost of living for employees. On page 224 - we are not proposing substantial changes for landscape; it is about a \$7,000 increase based on your contract with Servello. You have a reduction we are showing under Capital - Streetlights of \$17,449. The only other item is Capital Outlay; we have increased it by \$3,000 under Operations & Maintenance.

Supv Berube stated: Typically what we do is approve the budget and then set a workshop for June or July and go through the budget line-by-line.

Mr. Koncar stated: The only concern tonight is that you set your high water mark on assessments. If you look on page 240, there is no assessment increase based on the budget presented to you today.

Supv Berube stated: We will be able to run with the same level of services we have been having, and for the sixth consecutive year there will be no CDD fee increase.

Mr. Koncar stated: Resolution 2018-3 approves your budget and sets the public hearing on August 30, 2018 at 6:00 p.m.

On MOTION by *Supv Kassel*, seconded by *Supv Bokunic*, with all in favor, Resolution 2018-3, a resolution of the Board of Supervisors of the Harmony Community Development District approving the budget for Fiscal Year 2019 and setting a public hearing thereon pursuant to Florida Law, was adopted.

Supv Walls stated: We have to work on setting the workshop which would either be June or July.

Supv Berube asked: Do we want to set it now? Do you want to do June or July?

[*The consensus is to hold the budget workshop on June 28th at 4:00 p.m.*]

D. Discussion of District Manager Special Topics

i. Report on Number of Registered Voters - 1,501

Mr. Koncar stated: The registered voters is an annual report and there are 1,501 in the District.

ii. Inframark Proposal for Payroll and Workers' Compensation Services

Mr. Koncar stated: We talked about this several times. We have researched it and got two quotes for workers' compensation. The problem is the companies will not quote your current employee codes and there is no way to compare the numbers. As a result of that, the concern we have is even if you change to another company, if something were to happen to one of the employees, we are afraid there may not be coverage because the employee codes are different. At this point we are not recommending any change in your workers' compensation and payroll.

Supv Berube stated: That is fair because when you analyze all the numbers our current workers' compensation premium under the current codes is \$5.21 for every \$100 worth of payroll. The range you provided with the four different codes varies somewhere between \$4 and change and \$5 and change, so we are sitting right in the middle and there are no savings to be gathered there. The other piece of this is the payroll processing which you indicated would be \$2,500 per year. With FRM it floats on payroll dollars and is within \$300 of that. To go through all of the change and switch over to you is no real savings. Your conclusion was to recommend no change.

Mr. Koncar stated: No change.

Supv Berube stated: I agree with you as well.

iii. FEMA Storm Damage Recovery Effort Update

Mr. Koncar stated: There is no update. We have submitted all the paperwork. FEMA has accepted the application and now it is a matter trying to get reimbursed. One of the District's we manage just got their reimbursement from FEMA for a storm from 2005. I am not saying it is going to happen here, but that is an example of how fast it happens.

iv. Feasibility Study of Office / Amenities Center

- a. NAI Realvest - Professional Fee: \$14,250**
- b. Canin Associates - Professional Fee: \$ 9,600**

Mr. Koncar stated: This is a carryover from a previous meeting. We have had this discussion several times and received two proposals. The one from NAI Realvest we thought was the best one. We feel if the

Board were going to enter into an agreement, theirs would be the most cost effective for the District because of the services they are going to provide. As we discussed at the last meeting we put it on hold because we do not know where we are going to go with this.

Supv Berube stated: I requested we table it last month and I am going to request the same again this month because we have a developer change. There is still something going on with the developer that has moved on slightly forward, but the idea is still there that may affect the land we would need for a community center.

Supv Kassel asked: What does that mean?

Supv Berube responded: Land may become available to us that we would not necessarily have to buy. The land swap may get expanded and we could conceivably get some land we could use for a community center.

Supv Walls stated: Hopefully, they will come here next month and tell us about all of that.

Supv Berube stated: It is what I would like to happen so we can settle this. If the Board wants to proceed with having this done, feel free, but I do not see a rush to build a community center and spend the money at this point until we know what the status is of what may be effectively some free land.

[*This item tabled to the June meeting.*]

Supv Kassel asked: How long is their proposal good for?

Mr. Koncar responded: Originally it was good for 60 days, but we have been in contact with them.

Supv Farnsworth asked: When you say ‘them’, are you talking about both companies?

Mr. Koncar responded: I am talking about NAI Realvest, but I can ask both of them if they will extend their price until at least the next Board meeting.

Supv Farnsworth stated: The difference in the way these are quoted, I would like see somebody go back with a BAFO [Best And Final Offer].

Supv Berube stated: For Canin Associates, when you add the meetings in, they will quickly exceed the other one.

Supv Kassel stated: The NAI Realvest is detailed, thorough and inclusive.

Supv Berube stated: They would be my choice because of the detail; it looks professional.

v. Meeting Action Items Follow-up

Mr. Koncar stated: The supplements I provided to the Board was on OUC and TOHO; we have covered those items. We report to the Board after the meeting with OUC next week. We will provide the Board with their analysis and what they see the changes are that they have come up with.

Supv Berube stated: One of the things we handled when we did the Employee Policy Guide, some of the guys asked if we do not take the health care can we get a compensation adjustment to cover the cost of health care? We did the analysis this month and it works out to about \$3 per hour. It varies a little bit based on the age of the employee, but it works out to about \$2.75 per hour for the health care and about \$0.25 per hour for dental and vision. We built it in that if an employee does not take, can he get an adjustment on his hourly wage and that question has come up this month. The question is how much of an adjustment do you want to give an employee knowing that is our fixed cost? Do you want to bump them \$3.00 per hour if they do not take health care and if not what is the number?

Supv Kassel responded: We had a conundrum because the fewer people who take health care the more expensive the health care is. If we have fewer people taking it and giving them an incentive we are increasing our cost both on the incentive side and the insurance side. Even though we are spending less overall, we are spending more per person.

Supv Berube stated: I do not think we have seen any adjustments in individual costs because of our size. From one to five you are paying the high rate anyway. How many are taking it now?

Mr. van der Snel responded: Shawn and I.

Supv Berube stated: Two and two that do not take it and there has been no adjustment in the price. We agreed to give them a compensation boost; the question is how much?

Supv Walls responded: \$3 is steep; you are talking \$6,000 per year per employee.

Supv Berube stated: We just had one employee leave because he wanted the bump because he was not taking the health care. Everybody knows the number. We have to delineate this because when it comes to raise time, you have to look at whether health care cost go up next year. You almost have to have a two piece segment of how much they get.

Supv Walls stated: This is not their salary; it is treated as a bonus / supplement almost. If you give them a dollar more, it is over \$2,000 per year if you are working full-time.

Supv Kassel stated: \$2.

Mr. Koncar stated: If you increase the wages it is going to increase the FICA match as well.

Supv Berube stated: You are saying \$1 and \$2. We know the number is \$3; how about if we go down the middle and make it \$1.50?

An unidentified speaker responded: If I can make a suggestion from my employment status, what we did was it was paid quarterly and was not included in the salary. A separate check would be cut quarterly to not affect payroll and pay raises.

Supv Farnsworth stated: That is not a bad idea.

Supv Walls stated: It has to be accounted for separately no matter what. If you say a 3% cost of living increase, this cannot be included in that.

Supv Berube stated: What we need to know is number one, what we want the bump to be and then you can figure out the administrative. We could talk to FRM to ask if they can calculate it separately as he suggested and pay it out quarterly. We still need to know the number; what do you want it to be?

Supv Bokunic asked: Why are we discounting this? Why are we coming off the \$3?

Supv Berube responded: Because Supervisor Walls thinks it is a lot of money.

Supv Kassel stated: I propose \$2.

Supv Walls stated: It is a lot of money; when you put it in the grand scheme of their salary. There are going to be additional costs.

Supv Kassel stated: I know if I were to forego insurance I would want my incentive to be lucrative enough to make it worthwhile.

Supv Walls stated: Where I work it is something minimal like \$25 per pay period or something like that, if you do not take it. Most people who do not take health insurance are those who already have it from some

other source. We are not attracting people because we are paying them for not taking health insurance. When you end up with a guy getting \$16 per hour as opposed to \$13 and they are working alongside each other, they are not going to think this guy is getting \$16 because he is not taking health care.

Supv Kassel stated: That is why it has to be treated differently and perhaps separately as a quarterly payment.

Supv Berube stated: You want \$2 per hour.

On MOTION by *Supv Kassel*, seconded by *Supv Bokunic*, with all in favor, the District will offer an incentive of \$2 per hour for those employees who do not take health insurance, was approved.

Mr. Koncar asked: Is it effective immediately?

Supv Berube responded: Yes, next pay period. We need to talk to FRM on how we can segregate this and pay it as a bonus.

Supv Walls stated: I would suggest it become effective once it is worked out.

Supv Berube asked: Are we okay with paying it quarterly as a bonus?

Supv Kassel responded: Yes.

Mr. Koncar stated: You do not want to call it a bonus because under IRS rules, it is subject to a 25% surcharge.

Supv Berube stated: We will call it an adjustment.

Mr. Koncar stated: For the record, it is not a bonus.

Supv Berube stated: It will be effective next pay period subject to FRM needing to work it all out.

E. Facilities Usage Applications

i. Harmony School - Use of Pool for Swim Lessons - August & September 2018

Supv Berube stated: Harmony School use of pool for swim lessons for August and September 2018. We routinely accept these; is everybody okay with that?

[*The consensus was yes.*]

ii. Stacy Tiedeman - Use of Town Center for Wedding Ceremony - May 11, 2019

Supv Berube asked: Is there more behind this usage application or is just we want to plop down our chairs?

Mr. Koncar responded: They do not provide a lot of additional detail, but I would say it is what it says it is - usage for a wedding ceremony.

Mr. van der Snel stated: That is what they told me too; it is just the ceremony and they are going to have the party at the Champions Grill.

Supv Berube asked: For things like this do we charge a fee regardless?

Supv Walls responded: There is a fee schedule.

Supv Berube stated: It is a \$250 minimum. Is everyone okay with approving for the date and time at the \$250 minimum fee?

Supv Walls responded: I guess they do not have anything scheduled that far out at the HROA.

Supv Berube stated: It is approved, subject to payment of the fee.

EIGHTH ORDER OF BUSINESS

Topical Subject Discussion

A. Consolidation & Reconciliation of Utilities Invoices

[*This item previously addressed.*]

B. Consideration of Street Lights Buy-Down

Supv Berube stated: We still have some money left over this year and there is going to be money in the coming budget, but it is my recommendation that, until we work out the OUC fiasco, we do not move forward with buying down anymore.

Supv Kassel stated: We can revisit it in July.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Supv Kassel stated: Mr. Qualls provided a memo and I would like you to include this in next month's agenda for discussion.

Supv Kassel asked: Did PoolWorks appear on the agenda?

Supv Berube responded: Yes, it is number ten.

Supv Kassel asked: And Davey?

Supv Berube responded: We will go into executive session.

Supv Kassel asked: Did the Girl Scout bench get put in?

Mr. van der Snel responded: Not yet because I ordered the benches and the card got declined. They are ordered just not processed. I have a new card now so I can complete the order and it will probably be four to six weeks before we get it.

Supv Kassel asked: What is the status of the Dog Park fence line shrubs? Has it been discussed?

Mr. van der Snel stated: I think there was an email exchanged about it, but I have not followed up.

Supv Kassel asked: I had a question about the damage to the fence that may not be our property. What is happening with that?

Supv Berube asked: The wooden fence?

Supv Kassel responded: There is damage to several wooden fences along that road?

Mr. van der Snel stated: At the garden entrance.

Supv Kassel stated: To the garden and RV parking. The one at Five Oaks and there is damage to the ones further down. I assume it is from the mulch truck.

Mr. van der Snel responded: Servello will take care of it; it is pending and I will keep an eye on it.

TENTH ORDER OF BUSINESS

Public Hearing: PoolWorks Contract

Supv Berube stated: We are going to open the public hearing to hear Ms. Rebecca Griffiths.

Ms. Rebecca Griffiths asked: Are you the Board?

Supv Berube responded: We are the Board and they are the professionals who keep us in line.

Mr. Qualls stated: Before we get started let me cover a little groundwork with all the legalese. Your Board made a decision on March 29, 2018 that you were going to withhold payment to PoolWorks based on certain deficiencies. You withheld the 150% in accordance with the Prompt Payment Act. As your Counsel, we notified PoolWorks on April 4, 2018 of your final decision. What your rules allow when a decision is made, a request be made by a substantially affected person within 14 days after written notice or published notice. PoolWorks met that timeline and requested a hearing. If a hearing is held, the Chair shall designate any Board member including the Chair to conduct the hearing and then there are rules for how to conduct the hearing. You can administer oaths and affirmations; you can rule upon offers of proof and receive relevant evidence. That is groundwork and if there are any questions that come up let us know. This hearing is the opportunity for PoolWorks to seek reconsideration of the final determination that you made. The final part is the Board must issue its Final Order within 45 days if the hearing is conducted by the Board. I think this is the first time we have had a hearing since I have been here and I thought it would useful to list the procedures.

Supv Berube stated: We have opened the public hearing and heard the details of how we got here. We are okay to proceed with her testimony, statement or whatever she wants to say.

Mr. Qualls stated: The rule says the Chair shall designate any member of the Board to conduct the hearing. You are supposed to designate someone, it can be you.

Ms. Griffiths stated: When we entered into this contract we had three bids, one to do the wading pool resurfacing and apply new finish. We had the bid to resurface the Swim Club pool and the wading pool as two separate bids and the bid to revamp your existing coping which was to involve re-grouting and some other basic work. It totaled almost \$44,000. Mr. van der Snel and I agreed we would do the work for \$40,000 and is what we entered the contract at. We received a \$20,000 down payment. We had issues on the job and I am not defending our position or the work we did, except to say out of the \$40,000 we have only been paid \$20,000. You presented a bid you got from a gentleman to remove the existing coping and install new travertine coping at near \$20,000. You seem like you run a tight ship and are fair and honest, but this just does not seem fair that we are getting penalized such a high amount. If you took the work out of the bid that was unacceptable it would be about \$7,000 which would leave a balance of \$13,000.

Supv Kassel stated: It cost us \$20,000 to do the work.

Ms. Griffiths stated: Our bid was not to replace your coping, we were going to make it look nicer which we did and you did not find acceptable. The \$20,000 is to install travertine marble, a brand new edge.

Supv Berube stated: There is more involved than just the coping.

Ms. Griffiths stated: Agreed.

Supv Berube stated: The tile surface, when you look at it, the grout line varies from very skinny to very fat, the corners are bad, the surface of the pool itself. There was a guy here the other day who had not been around in six months and said “*I thought you resurfaced the pool*”. The surface of the pool does not look significantly different today than it did before. Part of that is because it did not get acid washed to expose the quartz. I know the contract did not call for acid washing.

Ms. Griffiths stated: It is a procedural matter; we do not agree on the acid washing theory. It makes the finish last longer and there are reasons for not doing this.

Supv Berube stated: The manufacturer, SGM and two others that I read, both recommend that after the pool is completed both said the recommended way of exposing the blue quartz is acid washing and the least recommended way is exactly how it was done, which was to put water in the pool, put acid in the water and brush it until you expose it. It was universal they all recommended acid wash and if the surface was not acceptable after the first acid wash to do it again to bring out the blue. It never got done and I will agree with you that it was not in the contract.

Ms. Griffiths stated: We acid washed the gutter and it came out bluer. We could come back and acid wash the pool now. My question to you is it \$13,000 deficient?

[*Pictures of the work performed were reviewed.*]

Supv Berube stated: There are other concerns that we had. The company that did it did not remove the ADA nor did they remove the ladders and rather sprayed around the ADA unit.

Ms. Griffiths stated: There were several deficiencies which we offered to repair and recompense for.

Supv Berube stated: This is one of the corners that is rough. This is the coping being referred to and this is the grout that was done. All of the dark brown area is grout carryover.

Ms. Griffiths stated: As I said, I am not defending that. I am saying if you take the coping issue out of the pricing issue.

Supv Kassel stated: We need to replace the tile because the grout is now in the tile.

Supv Berube stated: This is part of the complaint of why the coping needs to be replaced. This is all excess grout. When he smeared it in, he went under here for whatever reason. For the tile, this gap varies all the way around the pool. The tile becomes a problem because this is what the people see in the pool and it is failing; the grout is coming out. This is what this pool looked like last month. This is the tile work. The way this was before the gaps were all about ½ inch all the way around the pool and the tops of the tiles were all put in to meet the ½ inch gap steadily all the way around. You do not see a varying gap under the water, but you do see it up here. A chalk line should have been done along the top and the tops of the tiles should have been set so it is level and consistent leaving the bottoms to vary under the water line.

Ms. Griffiths stated: The coping was in place and we could not adjust the level of the coping. We were working and trying to do the best we could with that.

Supv Berube stated: The coping is flat and square all the way around the pool.

Ms. Griffiths stated: We should never have bid to repair the coping; we should have said to you we cannot do this work. The coping needs to be replaced which I think some of your other bids recommended and which you did not take.

Supv Berube stated: This was our problem with the coping, not this.

Ms. Griffiths stated: I agree it is not acceptable.

Supv Berube stated: Now we have coping; and I will give you credit, your guys came in and acid washed all of the top.

Ms. Griffiths stated: They tried to get rid of it.

Supv Berube stated: They spent a lot of time and a lot of money.

Ms. Griffiths stated: It is very porous and cannot be gotten rid of that way.

Supv Berube stated: Up here does not look bad, but the problem is people stand in this pool and look at this now. I understand you are saying that the cost to repair is more than what you bid that portion of the job at, but to fix this to the way it was before we have no choice, but to replace it. You just admitted we cannot clean this up to the condition it was before.

Ms. Griffiths stated: To your satisfaction. I do not understand why you are now upgrading your coping to travertine and my payment is getting withheld. That is a lot of money to my company; we are a small company with 14 people. That is bonuses for people.

Supv Berube stated: I don't disagree, however, we are spending public money and everything we do is judged and we have to get what we believe to be a quality job in exchange for the money.

Ms. Griffiths stated: If you feel that withholding the \$20,000 is a fair and honest way, an honorable way, to amend the situation, then that is what we will live with. We have no recourse, we have not filed a lien and we do not intend to, we do not operate that way. If you feel like that is fair, that is fine. I am here to say I do not feel like it is fair, but if that is your decision, that is your decision.

Supv Berube stated: Maybe it is not fair, but however, we do know that is what it is going to cost to restore, and we do not know what having coping like that put on, it just so happened they picked the travertine coping, whether that is more expensive and if it varies a couple of thousand dollars, we are still at the same point, and are going to replace the coping. We have to fix the tile lines and re-grout all of that to put this pool back. You are discounting the surface, lack of acid wash, and gutter issues. We have an estimate for \$19,886 just to fix the waterline issues.

Supv Walls stated: Aside from that, we have to take the pool out of service again and our residents will lose usage. The cost goes beyond just what we are going to have to pay somebody to pull that out and repair it.

Supv Kassel stated: We have also have our staff, Board, and legal fees, that we are having to pay because of the quality of the job that we would not have had to pay and are not being reimbursed for by you. We have to think about the cost of that as well.

Supv Walls stated: This will easily cost \$25,000 to \$30,000.

Supv Kassel stated: If the job had been done well we would not be replacing the coping and we would not have spent several thousand dollars on legal fees. Our Field Manager has spent a lot of time on this that he could have been spending on other things. It is not just the cost of replacing the coping; there are other costs that we have incurred. I do not know if you could think about taking that into consideration.

Ms. Griffiths stated: Certainly. As a business owner I completely understand. I have had a lot of unexpected costs in this job.

Supv Berube stated: You are not disagreeing that the quality of the job is less than stellar.

Ms. Griffiths stated: I agree. I think the finish is okay, if you want us to acid wash it and expose it to improve it, we will.

Supv Berube stated: We do not want to get into it anymore than we have to. We certainly do not want to shut down the pool at this time of the year. I was in the pool today and there were 80 people there. I was there yesterday in the rain, and until it really started raining there were 75 people there. School just got out and if we shut down the pool at this time of the year, there are going to be 500 people lined up at the next meeting. At this point we are saying we do not want to give you any money. You are saying that is an extreme measure to take.

Ms. Griffiths stated: I am just here to address the issue.

{*Supv Berube, Ms. Griffiths, and Supv Kassel were all speaking.*}

Ms. Griffiths stated: I do not want to leave the relationship in this way either.

Supv Berube stated: We have had you do work since, right?

Ms. Griffiths responded: No.

Supv Berube asked: We have not?

Ms. Griffiths responded: No.

Mr. van der Snel stated: You replaced light bulbs.

Ms. Griffiths stated: I do not want to leave it to where you need a lift cover, you need grids.

Supv Berube stated: The lift cover is minor. Tell us a number.

Supv Walls stated: I would rather not get into that. I think at this point, we paid \$20,000, we know we have almost \$20,000 worth of work left, we know we have additional cost on top of that, I think we leave it as is. I think it is more than fair from our side because we have to go back and do all the work again. We have to shut down the pool.

Supv Kassel stated: I do want to say I applaud you for coming to us and having a let us try to work together stance. I think it will go far in the future with us. There is a bit of doubt now with the work we can expect and that is only reasonable.

Supv Berube stated: We have never had a problem with their quality of work until this. My suspicion is you hired a sub-contractor that you may not have used before to do the surface and it did not go as well as we all expected. That is my guess and you do not have to comment on that, but I think this went bad and you did not anticipate that. Their quality of work for other things they have done for us and continue to do for us have been reasonably priced and I do not think we have had any gripes. We are okay with everything except for this. The real problem is the cost to restore - the undoing to redo something is expensive and that is what we are looking at here to put it back to the way it was.

Ms. Griffiths asked: Are you taking bids from any other contractor besides this guy?

Supv Berube responded: At this point, no. Do you want to bid on it?

Ms. Griffiths responded: Certainly; or I can recommend a couple of people to you to at least get a price comparison, as it seems pretty high. I do not know if we can install travertine for you, we never have previously, so I would be reluctant to be our guinea pig, but there are a couple of people I know in town who do it.

Supv Kassel stated: We have not accepted that bid.

Supv Walls stated: Supervisor Berube, I think it is an issue outside the scope of this.

Supv Berube stated: I understand. Did you want to add anything else?

Ms. Griffiths responded: No.

Supv Berube asked: Does anybody else on the Board want to comment?

[*There were no further comments.*]

Supv Berube asked: Counsel, as I understand the rules, we close the public hearing and make our decision at some point in the next 45 days?

Mr. Qualls stated: What the rules say is that since the Board conducted the hearing the Final Order has to be made within 45 days. A thought would be for your motion to be what your motion is, but then to direct us to prepare a draft Order because there are certain things which have to be found in the draft Order, submit it for you next month to make sure you approve, and you will still be within the 45 day timeframe.

Ms. Griffiths stated: For your sake please do not pay for that, we could done and you don't have to be charged again.

Supv Berube stated: It does not work that way.

Supv Berube MOVED to have District Counsel prepare a draft Order with the decision of the Board to be rendered at the next meeting, and will keep them within the 45-day time period.

Supv Berube stated: At this time we will close the public hearing. Kudos to you [Ms. Griffiths] for taking the time, and coming in.

Supv Bokunic seconded the prior motion, and with all in favor, the motion was approved.

Supv Kassel stated: I have one other item I forgot in my Supervisors' Request. Several residents have been coming to me about the fountains in the ponds. What, if any, innovative ideas could we come up with to get some fountains working again? Is there any interest in doing that?

Supv Walls asked: Did we not send a letter to ask the developer to remove them?

Supv Berube responded: The fountains are out of all of our ponds. The two remaining are in developer ponds. The one that draws the most interest is by Ashley Park because it is sitting there broken. The problem with the fountains was the ongoing electric costs to run them and the ongoing maintenance costs; it is expensive to have those repaired.

Supv Kassel stated: I think it would be helpful for the residents to understand the cost of an installation and what annual cost for maintaining the fountain in good repair, as well as, the utility cost. Maybe in your next report you could work up a schedule of costs associated with fountains.

Supv Walls asked: Is there anybody on the Board interested in putting in a fountain?

Mr. van der Snel responded: It is roughly \$5,000 to \$7,000 per year per fountain.

Supv Kassel asked: What if residents around the ponds came up with the funds to purchase a fountain, agreed to pay maintenance costs and the CDD pay for the utilities?

Supv Berube responded: You would have to set up a municipal services taxing unit to get the folks who agreed to pay for it, to continue paying for it.

Supv Walls stated: I am sure we do not have the authority to do that.

Supv Berube stated: That is the way you would have to handle that because it would be a very localized obligation for those residents. Is the question for the fountain at Ashley Park? I keep getting it too.

Supv Kassel responded: I have got it on several ponds. I am trying to think if there is some innovative way of working with the residents.

Supv Berube stated: Some people were not happy when the fountains came out. We can put fountains in the ponds, as many as you want and run them as long as you want, but we have a limited bucket of money. If it is the will of the Board and the residents to spend \$10,000 to run a fountain in a pond, but there are people who tell us all the time do not spend any more money and do not raise my fees. We go through a lot of work to keep those fees down. To your point, in a couple of years the street light buy downs are going to be done and will free up some capital.

Supv Kassel stated: I thought some of that capital was possibly going towards a community center.

Supv Berube stated: It may, it all depends on how you want to divvy up the funds. I have been listening, I hear it here and on the HROA side, and from what I can tell it is somewhere between five and ten people who really want fountains and all the rest either do not want them or do not care.

Supv Kassel stated: I would say it more like several hundred who really want fountains, but if they are willing to pay for them.

Supv Berube stated: Tell them it will be \$10,000 per year; that is a fair number.

Supv Kassel stated: I heard \$5,000 to \$7,000.

Mr. van der Snel stated: Per-pond.

Supv Bokunic asked: Can we get an accurate number?

Supv Berube asked: How do you get that?

Supv Bokunic responded: I do not know. Find out how much one costs and estimate it.

Supv Farnsworth asked: Is there any other District that has fountains that you can get their history on costs for running, maintaining, and installing? Are there communities that have fountains so they have some history?

Supv Kassel stated: That is all I was asking for.

Supv Farnsworth stated: It is not a commitment, but you would know where you are at.

Supv Kassel stated: Just so the residents can feel reasonably assured that we have a good idea of a cost so they can understand what kind of obligation they are asking us for.

Supv Farnsworth asked: Is that something you can do?

Mr. Koncar responded: We will bring it to the next meeting.

Supv Kassel stated: There is always the possibility of having some kind of agreement with the residents that they are willing to pay to put in the fountain, maintain it and pay the cost of running it. Is there a usage agreement for that?

Supv Berube asked: How do you do that? What happens when one resident sells his house and leaves; or two or three?

Supv Farnsworth responded: I do not think you want to go that route.

Supv Berube stated: It is a community thing.

Supv Farnsworth stated: If it is worth it for us to do it; then just do it.

Supv Berube stated: What will happen is if you get a resident group that maintains a fountain they are going to say that is my pond and fountain, I pay for that, stay away from it. You cannot have us versus them - it has to be universal. We will get the numbers.

SIXTH ORDER OF BUSINESS

Staff Reports (continued)

B. District Counsel

i. Report and Recommendations of Legal Complaint

Supv Berube asked: Are we going to go into executive session at this point?

Mr. Qualls responded: We are back to the District Counsel report and the item for the complaint that was filed. For this point I desire to advise the Board concerning active litigation and what that triggers under Florida Law is the ability to hold a closed meeting. I would recommend you announce that you are closing the public meeting that will be closed for approximately 10 or 15 minutes and say who will attend the meeting. Authorized to attend the meeting is the Board and District Counsel. We were required to advertise which we did on the website and we are required to have a certified court reporter here which we have.

Supv Berube stated: We are going to go into executive session to discuss a complaint and need to clear the room. Effectively, this is the end of the meeting because the next action is going to be to adjourn.

Mr. Qualls stated: You will open the meeting to take any decisive action.

[*The meeting was convened.*]

[*The meeting was adjourned.*]

Supv Berube stated: We are back on the record.

On MOTION by *Supv Bokunic*, seconded by *Supv Farnsworth*, with all in favor, authorizing the Board liaison, *Supv Walls*, to continue to confer with District Counsel and authorizing him to give any necessary direction to District Counsel to defend and dispose of this litigation and any related dispute with Davey in the best interest of the Board, was approved.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by *Supv Kassel*, seconded by *Supv Bokunic*, with all in favor, the meeting was adjourned.

Robert Koncar
Secretary

Steven Berube
Chairman