

**MINUTES OF MEETING
LAKE ASHTON I
COMMUNITY DEVELOPMENT DISTRICT**

A communications media technology meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Monday, October 19, 2020 at 10:30 a.m. via Zoom video conferencing, in accordance with the Office of the Governor, Executive Orders 20-52 and 20-69, due to the COVID-19 virus.

Present and constituting a quorum were:

Mike Costello	Chairman
Robert "Bob" Plummer	Assistant Secretary
Bob Ference	Assistant Secretary
Harry Krumrie	Assistant Secretary

Also present were:

Jill Burns	District Manager, GMS
Jan Carpenter	District Counsel
Molly Maggiano	District Counsel
Christine Wells	Community Director
Alan Rayl	District Engineer
Matt Fisher	Field Operations Manager
Jack Brill	Metz Culinary Management

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order at 10:34 a.m., called the roll, and the pledge of allegiance was recited. Four supervisors were present at roll call.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Ms. Burns: Did the Board have any additions to the agenda? Hearing none,

On MOTION by Mr. Ference seconded by Mr. Plummer, with all in favor, the Meeting Agenda, was approved.
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THIRD ORDER OF BUSINESS

**Public Comments on Specific Items
on the Agenda (*the District Manager
will read any questions or comments
received from members of the public
in advance of the meeting*)**

Ms. Burns: This public comment period is for any comments on specific agenda items. We have the public comments portion at the end for anything not on the agenda. Would anyone like to make a public comment?

Resident (Debby Landgrebe): Good morning everyone. I have a couple questions. I don't understand why we are starting to see so many errors in the minutes. I'm just wondering if something has changed in the recording of minutes or the meetings. What is causing this and how will it be rectified? Secondly, with the newest amenity policy being approved at the joint meeting, when does that go into effect and how is that going to be communicated and how will the residents be educated on it? Thirdly, I am wondering when we will start to have live Zoom meetings of the CDD meetings. Next, I am sure you will have a lot of questions regarding the restaurant as do I, but I have two. The golf cart that is being requested, will we use one of the security van carts versus imposing additional costs that we haven't budgeted for? In regards to the \$10,000 increase the second year, I didn't see any conditions associated with that. For such an increase, I would expect them to have to meet certain criteria. It might be in there and I just didn't see it. That's all I have, thank you very much I look forward to these things being discussed.

Resident (Steve Realmuto): Good morning, I wanted to comment on two things. First, I also would like to see us move to a combined in person meeting and have Zoom available for those unable to attend. In fact, I think the governor's authorization to do this solely via Zoom expires at the end of October. On the topic of the restaurant, I continue to be a strong supporter of having a restaurant here in Lake Ashton. I was glad to see all the contract details worked out, even though there are still some details that need discussion and finalization. I have a few questions related to the budget that was included in the contract on page 20. There's a note at the top that says, "including \$500 minimum household spend." It is my understanding that this is not an assessment or anything on residents, but it might help clear up people's concerns if you were to address that. I believe what it means is essentially that they are assuming in the sales that the

households will spend a minimum of \$500. My question for you is what number of households is this based on? I will note that their management fee appears to have been negotiated down from \$80,000 each year to \$70,000 the first year and then rising to \$80,000 in subsequent years. There is a line in the budget under non controllable costs, under admin and supervisor fees, of \$40,000, and management fee of \$40,000. This contradicts section 2-4 of the contract that says the admin and management fees are \$70,000 the first year. Perhaps that needs to be corrected in the budget. Regarding the marketing and advertising budgeted expense of \$12,000, it is going to be very important that we control costs, and given the fact that we have our own LA Times that goes out to all residents, as well as the email blast, I would hope that we could keep or reduce that marketing advertising budget and make use of what we already have. Finally, I would point out to residents that I believe this is the strongest proposal to manage a restaurant that will meet our needs in both quality of food and service. Assuming the management company is able to do that, it is going to be up to us as residents to support the restaurant. Bottom line is we need to utilize it if we want to keep a restaurant here in Lake Ashton. That's all I have, thank you and I hope we are able to get this done so we have a restaurant.

Ms. Burns: Those are all the public comments we have right now, so we will move on to the next item.

FOURTH ORDER OF BUSINESS

Consideration of Minutes from the September 21, 2020 Board of Supervisors Meeting and Audit Committee Meeting

Ms. Burns: Did the Board have any questions, comments, or corrections to the September 21, 2020 Board of Supervisor meeting minutes? If you like I could address Debby's question. Lake Ashton and Lake Ashton II are the Districts that I have seen these issues pop up in with the minutes, they do have some of the longer meetings. I don't know if they're having a hard time hearing the Zoom recordings, but I will look into it. We will make sure it's addressed moving forward. It might be an issue with the recordings, a lot of times people cut in and out with their speakers, it's hard to tell. It might be a byproduct

of some of the remote meetings. Did the Board have any comments on the minutes?
Hearing none,

On MOTION by Mr. Ference seconded by Mr. Krumrie with all in favor, the Minutes from the September 21, 2020 Board of Supervisor meeting, were approved.

FIFTH ORDER OF BUSINESS

Unfinished Business

Ms. Burns: There being none, the next item followed.

SIXTH ORDER OF BUSINESS

New Business/Supervisors Requests

A. Consideration of Contract with Metz Culinary Management for Restaurant Services

Ms. Burns: Jan would you care to start with discussion of the agreement?

Ms. Carpenter: Good morning everyone. I sent the Board members the original contract sent by Metz which was a very basic agreement and did not cover many of the items that this Board has felt are important over the years. We went through and noted the issues in the agreement and we went and inserted the various provisions we felt were important. I sent you all a blackline version of the agreement so you can see the extent of the changes in the agreement. We had a couple conversations this past week with the attorney from Metz. He has been very cooperative and is apparently very involved in their business, he had a great understanding of their business as well as some of our government issues. In the agreement we sent out on Friday, we pretty much got everything resolved. We have one issue on the proprietary information, and I highlighted that in blue. I believe we have come to a resolution but it isn't in here yet. I think we will be able to modify that or take out the provision completely. That is purely a legal issue to make sure you are in compliance with the public records. In going through the agreement, we inserted all the provisions we felt were important from the tax exempt bond standpoint, because it financed the Clubhouse. We did send the agreement over to Bond Counsel to get their final okay. The major concept behind those comments are that a government financed building cannot be used for private gained, so we can't have a sharing of profits or losses. There's a lot of nuances, but that is the concept. I'll go over them briefly, I highlighted some of the major points in yellow. We had understood that it would take them

two weeks to get up and running, they're saying it would be two months. They propose a commencement date of December 14th if the agreement is approved today. That gives them about two months to hire employees, do inventory, buy what they need, and get ready to start. A couple other things I highlighted, the point of sale system that the District acquired a long time ago, Metz does not believe that is workable or acceptable. They were looking to get a price for that and they were out pricing it, but I think it was somewhere in the \$10,000 to \$15,000 range. I'm not sure if that's included, Harry might be able to address that. That is one significant purchase that is important, and would be to anyone that would be going into the restaurant at this point. That will help have a good accounting system, records of purchases, and really safety of the District. On the operating days and hours, 11:00 a.m. to 8:00 p.m. seven days a week was initially proposed. That might be something the Board wants to talk about to keep costs in line particularly with COVID. They are planning to provide a delivery service, but the District needs to make sure there is a golf cart available. I believe the two carts the District has are both in use, so the Board will need to take that into consideration if there is a need to purchase one. On the compensation, yes there was an \$80,000 per year term. They had offered some type of cost sharing for losses that would not work under this agreement. On Thursday they did agree to reduce the initial year to \$70,000 to assist in the COVID situation. Harry probably didn't see that because it just came in Friday. They agreed to most of the other changes we put in about CPI, billings, etc. We did ask for a list of startup expenses and that's on page 6 under 2.6. They said they would not exceed \$58,000 which is two months of preopening, getting management, labor, training expenses for the hourly labor, travel and lodging, supply costs, food, cleaning, paper supplies, etc. They agreed to an investment of \$60,000 so it sounds like are planning to spend most of that in the preopening cost. I'm not sure if that includes the point of sale system. That's the one question that I had open from the contract negotiation portion of this. They did feel very strongly about employment restrictions, that the District would have a year after they terminated a contract to be able to hire one of their professionals, and this seems to be a relatively standard provision in that they don't want someone to come in and be trained at their expense and then the District cancel the contract and hire their people who they trained. We also added in something about the budget, that a material change with the

budget would be any line item that increases 10%. I think that's it for the things I highlighted. Again, they were very cooperative and it was a pleasure working with their attorney. Even when we didn't agree, he understood why we felt strongly about some things and he could explain why they needed certain things. If the Board decides to go forward, I would be comfortable with the Board agreeing to execute substantially final delegating authority to the Chairman to agree to a final term.

Mr. Krumrie: I want to thank Jan, Jill, and Christine for the immense help in putting this all together. I know Jan basically took the agreement and turned it upside down and wrote it in the terms that we needed to have. It was smooth basically all the way. I think for us, the big thing is that this money has to come out of somewhere. It's not going to come out of Operating for the FY21 budget, it's going to have to come out of Capital. What you will have to decide is what is the lowest number you are willing to accept under Capital Reserves to go forward. If we assume the budget is accurate at \$600,000 for Capital Reserves, and the restaurant has an annualized budgeted loss of \$152,000, if we adjust the budget then the budgeted loss would come in at about \$115,000. We have not budgeted for that number. It has to come out of Capital Reserve. If there are other startup costs such as a POS system at \$10,000 that would have to come out of that same number. If we have other capital needs beyond the \$15,000 we budgeted, it would have to come out that same number. And lastly, if the budgeted loss exceeds \$115,000 that's also going to come out of that number. Evidently we have three POS systems upstairs, and those need to be evaluated first before we move onto another system. I think the point Jan made, and I certainly concur, is that we need an accurate POS system so we know exactly what is going on. We've seen the invoices and how they will bill us, those look generic and I am very comfortable with that. I think we can live with that form of billing. A couple other items I want to point out, 90-95% of the residents concur with operating a budget. Secondly, I got these numbers from Jillian for 2017 and 2018 probably when José was here. They generated revenues somewhere in the high \$500,000 and \$600,000. Now, I don't know how accurate those numbers are. If they are able to generate those revenues with probably 300 less houses, then I think it's achievable that we could reach \$1,000,000 for revenue. We will have a more expansive menu, we'll do home deliveries, we will do takeout, we are going to do marketplace, etc. I came up with about

1,250 homes and that's arguable, you could argue how many people you think are here now, how many are going to be here and so on. That is my guess. You take all the revenue and divide it by 1,250 and you can figure out what each person needs to spend. COVID is unpredictable, it could still be here a year from now, two years, I don't know. We have to live with that though. I'll answer any questions best I can. I tried to call Jack Brill about the POS system this morning but I was not able to reach him.

Mr. Plummer: Harry, at the beginning of your presentation you said 90-95% of residents wanted a budget. Wasn't that 95% of people wanted a restaurant?

Mr. Krumrie: I meant restaurant.

Mr. Ference: Harry, isn't one of the more basic questions we have to ask ourselves is not that the restaurant is wanted or needed, but because of the current economic conditions, people are not doing what they did before the virus. It is unpredictable if we will be able to meet the numbers that are here. We do need a restaurant, it will help our property values, but I think we are premature because of the current economic and medical conditions. I think we ought to put off making a decision based on the unknowns. There are too many unknowns that we commit ourselves to by contract.

Mr. Krumrie: Like you said Bob, we do have to look at things differently. I don't expect 200 people to be in that restaurant every day. There are going to be a lot of takeout orders. The food trucks that have been showing up, there have been 100 to 125 meals served every evening. Think about that, and they are only there from 4:00 to 7:00 p.m. Takeout is a major thing that people are doing right now, especially in Lake Ashton.

Mr. Ference: Well they are spending a lot less money at a food truck than they are going to spend in a sit down restaurant with waiters and waitresses.

Mr. Krumrie: Yes, they are.

Mr. Ference: So it's not apples to apples.

Mr. Krumrie: If they are taking it out from the food truck, they will take it out from the restaurant. The budget assumes that the average person would spend \$15 for dinner and \$9 for lunch. Those prices are not a lot different from food truck prices.

Mr. Ference: Christine I have a question. How many folks did we have participate when we had the catering dinners on Friday night for two or three weeks?

Ms. Wells: There were probably a little fewer than 50. When we did Carrabba's there were around 75. Food trucks have averaged about 100 meals between 4:00 p.m. and 7:00 p.m.

Ms. Burns: I want to let you know that Jack Brill from Metz is on to the extent you have questions for him.

Mr. Costello: Jill, we should have records on this, what was the most amount of money that restaurant generated during the times of operations.

Mr. Krumrie: Mike, it was \$600,000 something.

Ms. Burns: That's correct. As Harry stated, it's hard to know how reliable those are. In 2016 it was about \$680,000 and in 2017 it was about \$550,000 that was stated as the total revenue.

Mr. Costello: That was the figure you gave me the other day. Now we are trying to figure out how there is a \$400,000 differential. With COVID, I wonder if people are going to feel comfortable going to a restaurant. There saying a lot of restaurants have shut down and are not coming back.

Mr. Krumrie: I googled that Mike, I found that 15% of bars and restaurants have closed. Keep in mind that if \$600,000 was generated in revenue in the past, keep in mind that we have around 300 more homes than we did in 2017. Prices of the meals are different, and we are doing delivery and takeout.

Mr. Ference: I think we are a little bit premature, the conditions do not lend themselves to making this kind of a commitment. I don't know if a few takeout meals will make a difference. It doesn't matter how many more houses we have if they don't show up and pay the money we think they are going to pay. I think we should wait. We don't have a history of being successful in our restaurant business when the conditions were a lot more favorable for that. I think we ought to wait a while until conditions change more favorably for our side.

Mr. Costello: I wonder whether we could go to a situation where, for the first year, maybe we would offer them the opportunity to come in and run the restaurant. They would pay no fees or anything like that, and see where that goes. We're putting a lot of skin in the game here. Harry, I do understand that you've done a lot of work and I want to see it move forward. We have no other choice but to put another restaurant in there. That's

what the people want. It seems every time that we have a restaurant move out of here, we get stuck with their bills. We just got stuck with a couple thousand dollars of bills from the last person that moved out.

Mr. Ference: Everybody wants a restaurant Mike, but not everyone is willing to support it and pay for it.

Mr. Costello: If they want a restaurant but don't support it, shame on them.

Mr. Ference: Isn't that our history? Have we had a successful restaurant at all? They don't make any money so they leave.

Mr. Krumrie: Bob, I don't think that's accurate. José was asked to leave, and Nini's was asked to leave.

Mr. Ference: Why?

Mr. Krumrie: You ask Borden Deane.

Mr. Costello: A lot of it was that she wasn't living up to parts of the contract that she agreed to.

Mr. Krumrie: That's correct.

Mr. Costello: I agree that the timing is bad Bob, how much can we put people in jeopardy for as far as the financial matter goes. Especially at a time when so many things are unknown. We have to look at how we can move forward with the least amount of risk for the community.

Mr. Ference: I agree Mike, there are too many unknowns for us to move forward.

Mr. Costello: Get one of the trucks to come in.

Mr. Krumrie: That's not a solution Mike. You're avoiding the issue. You're ignoring what the people of Lake Ashton want to have. They want a restaurant.

Mr. Costello: Let one of the trucks come in and cook in the restaurant.

Mr. Krumrie: That's not a solution Mike.

Mr. Plummer: I've had a lot of conversation with a lot of residents in here about the restaurant in particular. The large part of all those folks I talk to think that this proposal from Metz is probably the best proposal they've seen since they've been here, and a lot of folks have been here many years. They think this has the best opportunity of being the restaurant that they are all looking for as opposed to what has been here in the past in general. They are quite frankly excited about it being here. The majority, 80-90% of the

people I talk to, want it now. They don't want to be waiting another six months or a year for it. They actually want to go to a restaurant that is here in Lake Ashton where it's somewhat controlled, they don't want to go to outside restaurants where they're not sure who they are sitting next to. I think you're hitting some of the points on the head about COVID, but we need to look at the bigger picture. The residents would go to a restaurant tomorrow if it were open.

Mr. Ference: But are they willing then to pay for the shortfall? They want to be assessed the dollar amount to pay for a shortfall of the restaurant if it doesn't work?

Mr. Plummer: Actually a good share of them were in favor of the minimum cost, but not a majority. I'm not proposing that as there are inherent problems with that, but a lot said they would spend more than \$500 in six months much less a year. I get more good vibes from residents than I get negative. They understand that we are on the hook if it has a loss.

Mr. Costello: Jan, is there a provision in this contract that if because of COVID they have to shut down again that we can suspend the contract?

Ms. Carpenter: There is a force majeure, but I don't think it would suspend the contract. It would cut the cost down, but there isn't a specific provision like that. We would still be able to offer other services even if the inside of the restaurant was closed.

Mr. Krumrie: Mike, I asked Metz that question. The answer I got was that the labor portion of the budget would be suspended, and they would lay people off if they were shut down. There are some fixed costs that would continue.

Mr. Ference: If we pull the plug after two years, do we still owe them three years of money according to the contract?

Ms. Carpenter: Three years of their fixed \$60,000 of cost they are paying. We would pay for three years of that. We would have the POS system and the fixtures that are being paid for. At any point, the District can cancel the contract with 90 days' notice. If the District says after a good season in April it looks like we can't make it work, we would give notice to cancel in July and make that payment.

Mr. Ference: What other financial obligations do we have for the length of the contract?

Ms. Carpenter: The \$60,000 up-front payment.

Mr. Ference: Per year.

Ms. Carpenter: No. That payment is an upfront cash amount that they are willing to put in to train and do start up.

Mr. Costello: They are forwarding us \$60,000, and they are spreading out the repayment over the five year contract. I would hope that Harry is right, with an increase in homes in the neighborhood and with the increase in marketing, that it is going to increase the revenue. The only thing I don't like is that they are going to be bringing in people from the outside. If people aren't comfortable with that though, they can get takeout or get it delivered. I have no doubt people are going to like this restaurant. My question is can we afford this restaurant.

Mr. Ference: Jan, what is a good number to measure for loss? What would you suggest for a number that we should not go on any further?

Ms. Carpenter: This is really a budget decision for the Board.

Mr. Ference: What's a reasonable number for us to expect to lose?

Ms. Carpenter: It's really how much out of the Capital Reserve that the Board is willing to risk. Harry, I think you talked about looking at the budget. Jill, what do we have in Capital Reserves?

Ms. Burns: It's roughly \$900,000.

Mr. Ference: Well what we certainly don't want to do is run into an assessment for the people. We want to avoid that.

Mr. Krumrie: 95% of the people want this and they agree to an assessment of some sort.

Mr. Costello: I think what Bob is trying to say is that we do want to try at all costs to avoid a special assessment. I think we need to set a limit and watch it carefully. I agree everybody wants a restaurant here and Metz are probably the most professional I've seen in the 11 years I've lived here.

Mr. Ference: What's a reasonable number for us to set, not to go below?

Mr. Krumrie: I would say over the next 9 ½ month period, I would not exceed \$150,000. We pull the plug when we reach that number.

Mr. Ference: Can we go with that then? That sounds like a reasonable compromise.

Mr. Costello: I agree and if we hit the \$150,000 we have to look at if we have been productive. We can't look at the first three months we have to look at the whole nine months.

Mr. Ference: What do you think about that Bob?

Mr. Plummer: I agree with Mike. I think that we have to watch the numbers on a monthly basis, and we will know where they're going. Our decision at whatever given time, whether that's six, nine months, a year, etc. you are going to know what has led up to that and make a decision based on where you're at, at that point, and what your projection is after that. I don't know if today you can set a hard fast date that you will make that kind of decision. It will be based on your rolling information.

Mr. Costello: That's what I'm saying. If we're over \$150,000 but see that over the last two to three months we've increased substantially then maybe we go with the flow.

Mr. Plummer: We all agree the proposal on the table is a good proposal. We are trying to look at worse case scenarios financially. I don't think it's important to put a six month or nine month time frame on it, I think we have to look at the finances every month. We will continually be evaluating the numbers.

Mr. Costello: What can our Reserve sustain without putting us in danger of having a problem in another area.

Mr. Krumrie: Bob, Metz has agreed to submit their budget next year in June. So, we will see six months of operations and we will see what their budget looks like for the 2021-2022 year.

Ms. Carpenter: Would anyone want to speak to the Metz representative about this? We also have the discussion on the POS system and the golf cart.

Mr. Brill (Metz Representative): Good morning everybody, I have a couple things to mention. We are getting quotes on the Point of Sale system, it's usually around \$10,000 for a complete system that does inventory down to ingredients and meals. One thing I want to address, to Mr. Ference's thoughts earlier, what is happening in the restaurant industry in Florida right now is that you are seeing a lot of restaurants that are running at 85-90% of their normal volume but they are running at the 50% capacity and doing a lot of takeout and delivery. That covers the COVID concerns for delivery. It's important to note that when you're running in those volumes in delivery, your labor costs are

decreasing by 30-40%. Months ago the governor allowed drink sales to be delivered, and takeout, so if you want a dry gin martini or that certain cabernet, we can deliver it to your house. That's a ruling that has never happened before. To your point about lost sales and liquor, they can be delivered. The governor did a phenomenal job in helping the industry on that. I think we're all banking on a vaccine being available sometime next year. One thing that we chopped out was the catering sales. If those start coming back in the second quarter, that will help alleviate some of the financial stress. I know Harry and I have had a number of conversations about our people coming back down. I can tell you on the island I live on, I've seen 8 cart carriers in the last four days. They're coming back and my neighborhood is full again. Regarding the golf cart, I think a separate golf cart is the best idea. I just don't want the security team to need the carts at the same time we are delivering food.

Mr. Costello: There are two carts. I think you could use the extra cart and if we see that it's picking up then we buy another cart.

Mr. Brill (Metz Representative): Mike, on the cart we would ask that you put a hot box on the back. They are metal boxes that sit on the back part where the golf bags normally go, so that we are able to keep the food level and hot.

Ms. Burns: If there are no other questions for Jack, Jan, or Harry, I would ask if anybody wants to make a motion.

On MOTION by Mr. Krumrie, seconded by Mr. Plummer, with all in favor, Accepting the Contract with Metz Culinary Management for Restaurant Services in substantially final form and Delegating Authority to the Chairman or Vice Chairman to Sign the Final Contract with Metz, was approved.

B. Discussion of Restaurant Equipment Replacement

Mr. Krumrie: We put in our budget this year \$15,000. We are still working with Metz to figure out what we really need. We've identified some equipment already that doesn't work; a meat slicer, a two door refrigerator, and a food processor. I would ask that the Board approve those in anticipation of opening the restaurant.

Mr. Costello: That all falls well within the budgeted amount, doesn't it?

Mr. Krumrie: It does.

Mr. Costello: I think we let Christine look into replacing those three necessary items.

On MOTION by Mr. Costello, seconded by Mr. Plummer, with all in favor, Replacing the Meat Slicer, Two Door Refrigerator, and the Food Processor, was approved.

Mr. Krumrie: I would also ask Christine to get with Metz to evaluate the current POS systems. I do understand they are old.

Ms. Carpenter: It's very unlikely they will be useful, that technology changes almost every year.

Mr. Krumrie: I don't want to delay the opening of the restaurant, so I will make that motion for the POS system.

On MOTION by Mr. Krumrie, seconded by Mr. Ference, with all in favor, Purchasing a New Point of Sale System if necessary, with a not to exceed amount of \$15,000, was approved.

Ms. Wells: We had discussed the furniture being sold, could we do the same with the POS systems that we have upstairs if we can sell them for parts? Do we need to get that approved?

Ms. Carpenter: It depends on the value, I will let Molly answer this further.

Ms. Maggiano: From what I looked at before, it would depend on the value. It was a \$5,000 threshold. If it's over that there is a more particular process that you would need to go through if you wanted to be able to sell it off. That would fall under a public bidding process. If it's under \$5,000 it's just whatever the Board deems the most efficient manner.

Mr. Ference: Is that current value or purchase value?

Ms. Maggiano: It is going to be the current estimated value.

SEVENTH ORDER OF BUSINESS

Monthly Reports

A. Attorney

Ms. Carpenter: Molly helped Christine with the surplus furniture issues. I've been working on the Metz issues. Nothing else major, there were a couple notes and emails from Sarah Sandy, the Lake Ashton West counsel on the flooding issue.

B. Lake Ashton Community Director

Ms. Wells: I included the Community Director Report in the agenda package. I just want to touch on a few things. First of all, staff has been doing an amazing job and we are really pushing the limits with all the activities we are trying to do right now. The chandelier that the Board approved removing in house, they did that and saved the District quite a bit of money. We were getting quotes of about \$500 and they were able to do that in house. Our under the stars outdoor movies have been going well, we've had golf carts show up, walkers, bikers, cars, etc. We are actually selling sponsorships for those outdoor movies and we've received about \$1,200 so far in sponsorship fees for that. We had a few activities for Breast Cancer Awareness in October. We have one coming up at 1:00 p.m. today. The Girls Night In was great, everybody had a good time at that. Today we had Walgreens here facilitating flu shots. We partnered with United Healthcare to do a free tie dye class for residents. We have astronomy night starting back again, the first one will be October 29th. We have the Fall Festival which is a free event thanks to our sponsors. Caroline has been doing an amazing job with sponsorships. We've collected a total of \$2,450 in sponsorships for the festival. So everyone is aware, we are in Phase 3 of the Clubhouse reopening plan that started on October 7th. The new operating hours are seven days a week 6:00 a.m. to 10:00 p.m. I have been talking to security to make sure everything is going well at night when staff isn't here. There have been no issues to report there. I talked with Mr. Costello about the entertainment series, and we discussed putting that on hold for 2021 and starting back in 2022. Everyone who has season tickets would keep them and we would start the renewal process for 2022. We have scheduled some entertainment for 2021, and we moved over the two shows from the entertainment series from 2020. Those were rescheduled for March and April of 2021. We still will have activities and shows in the normal time frame that residents are used to. Due to capacity

restrictions, we felt like moving forward with the individual shows was best. We purchased a sanitizing fogger to use between events when those start back. In the November LA Times, residents will see bus trips. I talked with Mr. Costello and they have quite a few procedures in place and I hope residents feel it is a safe environment. We generated about \$8,721 in newsletter revenue for the month of October. I included some pictures in the report of the new landscaping we have installed. The well that services the landscaping in that area is not working at this time. Matt has been out there hand watering those plants on a regular basis. We have a quote from Yellowstone to repair the well, that invoice is for \$2,800.84.

On MOTION by Mr. Costello, seconded by Mr. Ference, with all in favor, the Quote from Yellowstone to Repair the Well totaling \$2,800.84, was approved.

Ms. Wells: I wanted to give Supervisors an update on the project tracking list. I did receive information from Blackburn's, they are going to be scheduling the install for the fitness center tile for November 9th. They are anticipating receiving the materials end of October or beginning of November. We will need to close that ahead of time to uninstall the partitions, the plumbing, the vanity, etc. On the bowling alley, it was scheduled to be open last week. We found some additional leaks and that has extended that date. The scoring system was having issues right as we were closing down, and the supervisor of the project determined that was due to standing water on the wires that fried the mother board. He is going to get that repaired and we are going to submit that to insurance. We have been working on a way to have meetings videoed for those that feel more comfortable at home. The grass carp permit was approved and the farm informed that the fish will be ready in a few weeks. Last thing I had, staff has looked into the installation of air purifiers on the air conditioning units in the Clubhouse. Miller Central Air, who does our preventative maintenance of our unit, have said that they see quite a few people installing these recently. They gave us a quote for the initial install of a two year warranty system for \$10,134.60. The second option is a 7 year warranty system for \$13,395. The first system the cartridge ranges about \$150 and that has to be replaced every 2 years,

the second system is every 4 years. There are a total of 14 units and we are recommending 12 air purifiers to be installed.

Mr. Ference: Christine, that includes the restaurant as well?

Ms. Wells: It does. There are two units in the dining room.

Mr. Ference: Is it your opinion that we should go forward with this?

Ms. Wells: I think it would make residents feel very safe. I think it would be good for the building overall, and it's a good investment.

Mr. Ference: You have that in your budget?

Ms. Wells: It's within the HVAC, we have \$25,000 in that.

Mr. Ference: Then I think we should follow your recommendation.

Mr. Krumrie: Is it a Capital Expense or an Operating Expense?

Ms. Wells: I would take it as a Capital Expense.

On MOTION by Mr. Ference, seconded by Mr. Costello, with all in favor, Buying and Installing Air Purifiers for Air Conditioning Units with the Seven Year Warranty, was approved.

Mr. Ference: I have a question for Christine before we move on. Does the fogger you bought for the ballroom for sanitizing have any application for the restaurant?

Ms. Wells: We could use it there as well. Basically you put in the sanitizer of your choice and it sanitizes pretty quickly.

Mr. Ference: We will talk with Metz about that. Thank you.

Mr. Plummer: Christine, I like the new format of your report.

Ms. Wells: Thank you!

Mr. Plummer: Pictures do wonders. That's all I had.

C. Engineer

I. Consideration of East Course Hole #10 Bridge Approach Repair

Mr. Rayl: I've got a few things for the Board this morning. First, Mulligan and Dunmore, there is still a little bit of asphalt work needed to be done to complete that project. The contractor was waiting to see if they were going to do some pavement repair

for CDDII. CDDII is going to hold off on pavement and curb repairs until after the beginning of the year. The contractor is going to go ahead and get that finished up. If you're not familiar with it, there's a little strip of asphalt that was broken up on the southbound lane on Dunmore right next to the new valley curb. That will get repaired and then their work will be complete. We are still holding the retainage on that project, so we don't have any concerns about them leaving us in a lurch. They've been a good contractor to work with. I let them know this morning that they should get that finished. You heard at the joint meeting about the locations on the golf course in need of repair to make it whole. We've gotten a plan repaired indicating those areas. For everyone's information again, the approach on the bridge on hole #5 on the fairway side, on #9 the exit point on the bridge, #10 bridge, and the turnaround at the bathroom building at #10 are what are in need of repair. The hole #10 bridge repair, I know staff has been working on that. We talked to staff about putting some sod on the bare dirt that is there to help hold that area. We'd like to observe that, and if it works then we are ahead of the game and we save some dollars on a contractor coming in there. I'd like to take that area out while we're getting pricing, so we can continue to monitor it. We finished up the pavement inventory, I've got the report here and I'm going through the last edits on it. It included the condition of the roadways, not just defects in localized areas of the pavement, but overall condition assessments of the roadways. What was visually evident in the field, the numbers backed that up to Burwick Drive. That was identified to be the road most in need of maintenance. The second place after that was Ashton Club, basically directly in front of the Clubhouse and heading north then east from there. The Board will be able to use this report as a guide for future budgeting for public projects that you want to take on in your Capital Improvements budget. We are still holding off on the bridges, the timber prices were very high. We did discuss sealing the bridges. I checked with CDDII and they spent about \$500 on labor on their bridge. They are going to get back to me on the material costs. Know that we have about three times as many bridges as the West. I would expect both costs to be more. I've got two new things at pond 17. There was a suspicious looking hole along the line where the outfall from that pond would be going. We suspected it may be a similar issue as what we found on pond 21 that we had repaired recently. That repair had cost

\$2,500 and I'm expecting to get a similar scale for cost to repair this. If possible, I would ask that the Board approve a not to exceed of \$3,000.

Mr. Ference: Was there a second hole along that same line? I thought there was another one a little further back.

Mr. Fisher: Yes, there is another one that was pointed out by a resident.

Mr. Rayl: I will work with the contractor to see if he can encompass that all under the not to exceed price.

On MOTION by Mr. Ference, seconded by Mr. Krumrie, with all in favor, a not to exceed amount of \$3,000 for Pond 17 Repair, was approved.

Mr. Rayl: Lastly, I copied Supervisor Costello and Christine on this, we made a request of the city of Lake Wales to see if we could work with them and their waste water department. When we were doing the pavement condition inventory, I noticed on Turnberry and Strathmore multiple locations where the centerline of the road was sunken down. The center is supposed to be the highest point out there. There was depressed pavement in the center line in these locations, and it followed along the route of the sanitary sewer. This type of defect does not occur unless you've got an underground failure of some sort. I think the same thing is going on here, there may be a separated joint in the sanitary sewer that is causing the road to sink. I would like Lake Wales to bring out a vacuum truck and flush out that line, then they run a camera down that line and see every joint and pipe. That would give us an answer about if there was an initial construction defect, or if there is another issue. If there is an issue down there it can be fixed without digging up the road. They have technology where you can line sewer pipes without digging the first hole. There are nondestructive solution. We would still want to come back and make surface repairs on the roadway, but we need to solve the underlying issue first. I will keep you updated on my progress with Lake Wales.

Mr. Costello: I realized you haven't finalized the report yet, but do you have anything as far as seeing any roads that we are really going to have to get after. How extensive is it going to be?

Mr. Rayl: Burwick has the most serious issues. It's got wheel rutting on it which is a more pronounced defect than just surface cracking. It's really a deformation of the driving surface, not just the asphalt surface. I think we really want to do something about that, sooner rather than later. It's more pronounced on the southern portion, that's where you have all traffic coming together.

Mr. Costello: You also mentioned that Ashton Club drive portion?

Mr. Rayl: Yes, it's the intersection with Lake Ashton Boulevard right at the main entry of the Clubhouse, then going east from there. It was the worst to Ashton Palms, it got a little bit better after Ashton Palms. That section there, which is roughly 800 feet, was the worst section on Ashton Club. That had a lot of alligator cracking, the surface was pretty well shot in that area. It looks like it has had a lot of heavy wheel loads, probably from construction. It could have had some issues during construction, where it was quite up to snuff.

D. Field Operation's Report

I. Discussion Regarding Purchase of a Pressure Washer

Mr. Fisher: I included my report in the agenda package. I will touch on a few things. First, we had an electrician install a timer to shut off the gas heater in attempts to conserve gas usage. It shuts off at 10:00 p.m. and turns on at 5:30 a.m. and we have not had any issues with that. In the report I outlined that we repaired the north foyer door to open properly when the handicap button is pressed. Those that use the automated feature of that door should not have any issues with it getting stuck in the future. I included for the Board's consideration the purchase of a new pressure washer. Staff is continuing to look for areas to keep maintenance inhouse, and this is one area that labor cost using an outside vendor is high. This pressure washer would be used to clean the amenities that have concreted areas. There are four options, and the best review was the Simpson model for \$1,200.

Mr. Ference: Is that in the budget?

Mr. Fisher: It would come out of maintenance, there is a lot of money for this purchase.

On MOTION by Mr. Ference, seconded by Mr. Costello, with all in favor, Purchasing a Pressure Washer for \$1,200, was approved.

E. District Manager's Report

I. Approval to Issue Christine a Credit Card for General Fund Expenses

Ms. Burns: There were a couple questions from residents regarding the remote meetings. The last executive order issued by the governor will end October 31st, unless there is a change to that order we expect the November meeting to take place in person. We will work with staff to do our best to offer some sort of remote/hybrid and in person option. We do need three Supervisors present at the meeting location. The other item I had was that we would like to request approval to issue Christine a credit card for the general fund.

Mr. Krumrie: Is there a limit on the card?

Ms. Burns: We can set one, I believe the standard limit is \$5,000.

Mr. Krumrie: How much is typically spent in a month?

Ms. Burns: It varies. It's never more than \$5,000.

Mr. Krumrie: Would you be comfortable with \$3,000?

Ms. Wells: I can make whatever you give me work.

On MOTION by Mr. Costello, seconded by Mr. Ference, with all in favor, Issuing a Credit Card to Christine Wells with a Spending Limit of \$3,000, was approved.

EIGHTH ORDER OF BUSINESS

Financial Report

A. Approval of Check Run Summary

Ms. Burns: The check run summary is through October 19th. If there are any questions I would be glad to answer those.

On MOTION by Mr. Ference, seconded by Mr. Krumrie, with all in favor, the Check Run Summary, was approved.

B. Combined Balance Sheet

Ms. Burns: The financials are included in your package for review. There is no action that needs to be taken from the Board they are for informational purposes only.

Mr. Krumrie: When do we typically receive our tax receipts?

Ms. Burns: Assessments from the tax bill?

Mr. Krumrie: Yes.

Ms. Burns: They start to pour in usually the last week of November and beginning of December.

Mr. Krumrie: If I look at the August financial statement, it shows under the general fund that we have \$333,000 and we have payables of \$113,000. Net of accounts payable we have \$220,000.

Ms. Burns: These are the August financials, October was the start of the new fiscal year.

Mr. Krumrie: Assuming we spend \$140,000 in September, October, November, etc. Where does the other money come from?

Ms. Burns: We allow for a first quarter operating reserve in the budget to the extent that we deplete that before we start to get funds from the tax collector. It would be a Capital Reserve transfer until that amount was replenished.

Mr. Krumrie: The other thing, I'm going back twenty years now, is there any way we could get a narrative of some sort that whoever prepares these financial statements could give to the Board? Rather than us try to come up with questions.

Ms. Burns: There is a narrative in the budget that ties to all the line items.

Mr. Krumrie: It describes. It doesn't give me an update on what's going on with financials right now.

Ms. Burns: If there are issues or concerns we bring those to your attention. There aren't any in this budget.

NINTH ORDER OF BUSINESS

Selection of an Auditor

Ms. Burns: At the Audit Committee meeting held just prior to the Board meeting the Board ranked the proposals provided in the package. The committee ranked Berger Toombs #1, McDirmit Davis #2, and Grau & Associates #3.

On MOTION by Mr. Ference seconded by Mr. Costello with all in favor, Approving the Rankings of the Audit Committee with Berger Toombs #1 and Authorizing Staff to Send a Notice of Intent to Award to Berger Toombs, was approved.

TENTH ORDER OF BUSINESS

Public Comments

Ms. Burns: Mike, I believe you had something you wanted to say before opening up public comments.

Mr. Costello: Bob, I wanted to take this time to thank you for your years of service. It's greatly appreciated and we are hoping for the best of you as time goes on. We want to see you at all the meetings from now on.

Mr. Ference: Thank you very much Mike.

Ms. Burns: We will move on to public comments now.

Resident (John Castelli): I appreciate the conversation about the restaurant between Mike Costello and Bob Ference had. As a senior citizen I'm not going to go out and eat at a restaurant until this vaccine is available. The other thing is that Canadians aren't coming down, they're locked in, so you're losing 25% of your business there. In May, the snowbirds all go back. I don't see the rush to get into this. We're going to have an expense that we will not be able to get out of. The other thing is we have to maintain the golf cart paths, bridges, etc. We have other costs. It would be smart to wait.

Resident (Debby Landgrebe): Mr. Ference it is hard to believe 8 years is up. I am sure you and your wife have been counting the minutes to your new freedom. I would continue to attend meetings or be a voice behind the scenes. Thank you for 8 years. I have learned significant things from watching you over the years. On another note, Christine as you are looking at these AC filters, a number of residents have also been getting them. I have heard repeatedly that they have negotiated the original price down with each company. I would encourage you to challenge them to do better with their pricing. Harry, I love the idea of an executive summary on the financials. In regards to the restaurant golf cart, I'm going to encourage the Board not to purchase one but to figure out how we can use one we already have, or borrow one from CDDII.

Resident (Phil Heinz): I want to ditto about Bob doing such a great job over the years. Thank you for your commitment. Secondly, you were talking about a \$500 credit

you could buy at the restaurant, and if you did that, you may be obligated to get a discount or something. It might be difficult to buy that \$500 if at some point the restaurant might close. I don't know how you would deal with that, but you need to think about that.

ELEVENTH ORDER OF BUSINESS

**Supervisor Request / Open
Discussion**

Mr. Krumrie: I want to thank the Supervisors for approving the restaurant, I think it's going to turn out to be a good project for us.

Mr. Costello: I hope you're right and I thank you for all you've done with them.

Mr. Ference: I would like to thank everybody for sharing these many years and for the people of Lake Ashton you are wonderful. I feel very blessed to live here with my wife. I thank God for all of you and hope we all have healthy and long lives together. Again, I appreciate all of you.

TWELTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting.

On MOTION by Mr. Ference, seconded by Mr. Costello, with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman