

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

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Monday, **June 20, 2022** at 9:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, FL.

Present and constituting a quorum were:

Robert "Bob" Plummer	Chairman
Mike Costello	Vice Chairman
Steve Realmuto	Assistant Secretary
Lloyd Howison	Assistant Secretary
Debby Landgrebe	Assistant Secretary

Also present were:

Jill Burns	District Manager, GMS
Kristen Trucco	District Counsel
Christine Wells	Community Director
Matt Fisher	Operations Manager
Alan Rayl <i>joined late</i>	District Engineer
Mike Porricelli	Metz

The following is a summary of the discussions and actions taken at the June 20, 2022 meeting.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order at 9:30 a.m., called roll, and the pledge of allegiance was recited. Five Supervisors were present constituting a quorum.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Plummer: Before we get started, Happy Father's Day to all the fathers that are not only on this Board but also sitting out there. Congratulations. I hope you had a good day with your family. The next item on the agenda is the approval of the meeting agenda. Are there any changes? If not, I'll entertain the motion to approve as it is presented.

On MOTION by Ms. Landgrebe, seconded by Mr. Realmuto, with all in favor, the Meeting Agenda, was approved.

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*)

Mr. Plummer: Next is public comments. In the order that I received them, first is Brenda VanSickle.

Resident Brenda VanSickle: First, I'd like to say, I thought you all did a really good job last month deciding to give the restaurant ninety days' notice. We've paid way too much money that could have been used on other amenities. I think other amenities would probably suffer because of this. Going forward, I would urge you to go into a contract different from this one where there's not an open-ended loss. We all thought that a business contract management would work well, I don't think it has for us. See if you can find somebody that's willing to come in here and do like we did before, and the attorney will have to know this. But would it be possible to maybe pay another company that wants to come in a \$10 management fee and say here it is, take it, it's yours. Keep these people happy. A restaurant needs our residents to support it. For residents to support a restaurant, the restaurant has to be worthy of our support. It can't let us down, but we can't be losing this money. I also noticed that the amenities were going to be looked at again this time. That's something that probably we're going to need to raise periodically, but I think it would be a slap in the face to do it at this point after we've lost so much money. Thank you.

Mr. Plummer: Thank you, Brenda. Next is Mary Dornhecker.

Resident Mary Dornhecker (Lot 93): I have three points of view here. I believe we need to keep the restaurant for a little while longer. I believe the new manager is doing an excellent job and 90 days is not enough time to turn anything around. As I said, we have a new manager. They're really trying. I think we should have that go a little bit longer. If you decide in 90 days you're going to get rid of this restaurant, what's your plan of action? We've had so many different restaurants and so many points of view and nothing has ever seemed to work. I think it's not so much the restaurants we get in here. I think

we need to start looking at ourselves. I go into this restaurant and people would nitpick about many little things that are going on at restaurants all over. But here at Lake Ashton, since it's such a small community, if you get a bad sandwich, word spreads like lightning. I think we need to look at ourselves here a little bit also. Thank you.

Mr. Plummer: Thank you, Mary. That's the last one that I have up here, but I think you have some emails that have come in.

Ms. Burns: I do. I got a few emails. Some came in a little late, so I'll read them off the computer. The first is from Jane Milner. No address was given.

Resident Jane Milner: I would like to see Ashton Tap & Grill stay on as our restaurant. I fully support them and do eat there at least once a week. When our other amenities have issues, we work to replace or fix or get help to get it done. For me, this is one of our most important ones.

Ms. Burns: The next one is from James Cotter.

Resident James Cotter (4116 Ashton Club Drive): I would like to first tell you about my professional qualifications. I'm a certified public accountant, licensed in the state of Connecticut. I have both a bachelor's and master's degree in finance and business administration. I'm currently the chief financial officer of a \$1.2 billion financial institution. I only tell you these things to let you know that I do feel qualified to comment on all aspects of financial statements and the preparation of financial budgets. There are many highly qualified professionals here at Lake Ashton who are experts in many fields. Mine just happens to be finance. I strongly agree with the previous decision made by the Board to engage in an exit strategy for the restaurant. The number of losses is, in my opinion, staggering. The situation we're in has been repeated many times over the past several years and no matter what efforts were made for improvement, the outcome remains the same. To expect our residents to subsidize this level of performance is unfair. I also believe that the management of the restaurant has given it their best shot and there are no hard feelings. Perhaps we should consider a different type of business venture that has a better chance of success. Thank you.

Ms. Burns: There is one more printed here. This is from Ralph and Sue Marino at 4269 Berwick Drive.

Residents Ralph and Sue Marino (4269 Berwick Drive): We apologize for not attending the June 20th, 2022 meeting, but we are out of the country. We have two important issues, first is the restaurant. The restaurant should be considered an amenity for the community. The restaurant should only be charged the utilities. If we can learn from other communities or clubs, it would be to assess \$300 per lot per year that would be credited when spent at the restaurant. The second issue is charging at the restaurant. In the early days, we were able to charge using our lot number and billed monthly. Who brings a wallet to the pool? This would allow swimmers, golfers, and anyone else to eat and drink without money on them. We have been here for 20 years and have seen many restaurants come and go. This restaurant has been the best, excluding the first one with Vince. Yes, there have been some issues, but they have been trying to implement changes. Our community needs a restaurant.

Ms. Burns: This is from Iris Para, 4109 Limerick Drive.

Resident Iris Para (4109 Limerick Drive): I'm very disappointed that our community has failed another attempt to keep a restaurant in our community. We have lived here since December 2005. We have witnessed time after time, the restaurants come and go, I believe the restaurant is a needed amenity and the CDD needs to develop a successful plan to keep our restaurant. Thank you.

Ms. Burns: If there are any comments on the Zoom line, you can use Zoom's raise hand feature to be called on now. Seeing none, I think we can move on.

Mr. Plummer: Thank you all for the comments.

FOURTH ORDER OF BUSINESS

Consideration of Minutes from the May 16, 2022 Board of Supervisors Meeting

Mr. Plummer: The next item is consideration of minutes from the May 16th Board of Supervisors meeting.

Ms. Burns: I got a couple of changes from Debby that will incorporate. They are just minor nothing substantial.

Mr. Plummer: Anybody having any other additions or corrections to the minutes that were submitted electronically?

On MOTION by Mr. Realmuto, seconded by Ms. Landgrebe, with all in favor, the Minutes of the May 16, 2022 Board of Supervisors Meeting, were approved as amended.

FIFTH ORDER OF BUSINESS

Restaurant

A. Ashton Tap & Grill Update

Mr. Plummer: The next item on the agenda is the restaurant. Mike, if you want to come up just in case we have some questions, we would appreciate it. Christine, you might want to join since you've been involved in this recently. I think that we need to discuss where we move forward before we delve down into the normal financials and those things, because it may not be a bearing on where we go depending on the decision we make here today. At this point, just an update on what Christine and I have done. We were given the task to start putting down the 90-day exit strategy at the last meeting, we have met with not only Mike, but we have met with Dennis, we've met with Jeff, Metz, we've met with several persons involved in what would be the exit strategy. We have negotiated down an early exit if that's the way we intend to completely go. The exit strategy that we have done is towards the end of June. That's where we are at this point. We continue to talk to them extensively about the exit strategy. You've heard what some residents have said this morning and I'm sure you've all talked to the residents. I think that the discussion here needs to be, and we may have questions for Mike or for Christine, but it is are we going to continue with the exit strategy? Or, are we going to reverse it, and retain the restaurant? Basically, that is what the task is that's before us here. I'd open the floor for discussion about what each of you think at this point because I'm sure you'd need to talk to variety of people.

Mr. Howison: I think perhaps for the benefit of those here, should we outline what has happened since our last meeting in terms of Metz's response that they have come back with a proposal to keep the restaurant open and more recently has amended that to try and make it a little more attractive for the Board. I have some questions related to it, but basically, there would be a significant reduction in their annual fee. Capping any costs that we might incur, and then asking for a percentage of revenues over the budgeted target, that would also be capped. What I don't understand though, Mike, is would we, Lake Ashton, be responsible for operating losses under this agreement?

Mr. Plummer: Can I just stop you for just a second. I don't believe that the residents here have seen this proposal. I don't think it's part of the agenda package.

Ms. Burns: It came in over the weekend.

Mr. Plummer: If that's the case, I'm going to have Jill read that now, so everybody here gets an idea of what Lloyd is speaking to or what we may have referred to as we go forward.

Ms. Burns: It says, "Dear Bob, first, I want to thank you and Christine, for your time during our recent discussions. I truly appreciate the openness and willingness to allow us to have continued conversation with the goal of furthering our partnership at Lake Ashton. As discussed, we look forward to ongoing efforts with the Board to address their concerns of financial losses, consistency, and marketing. Based on our discussions, we are proposing the following commitments for the remainder of this budget year. Metz will waive its management fees for the periods from July 1st, 2022, to October 31st, 2022. In addition, the cost of the interim General Manager, will not be billed as a reimbursable cost for the remaining months of this budgeted year ending October 31st, 2022, or until a new manager is hired, whichever occurs first. A new menu will be submitted to the Board to increase participation in the restaurant. A robust marketing plan will continue to be implemented to include direct mail, digital marketing, local coupon guides, and community outreach which will be presented at the June meeting. Team members of the Metz restaurant group will continue to support and enhance customer service experience through training in both front of house and back of house. Metz would also like to propose the following for the next fiscal year of 2022-2023 that commences November 1st 2022." Just to note for the record, is actually October. "Metz will lower the fixed portion of its annual fee by \$45,000 to \$35,000 for the year. Metz would additionally be paid a percentage fee equal to 10% of that portion of gross revenues that exceeds the budgeted gross revenues of \$852,426.50. Therefore, if actual gross revenues are \$952,426.50, Metz would be paid an additional fee of \$10,000. A hundred thousand dollars in gross revenues over budget, multiplied by the 10%. However, the percentage fee would be capped at \$35,000. Therefore, the combination of the fixed fee and the percentage fee would not exceed \$70,000 for the year in aggregate. I hope this shows our continued dedication to our important partnership with Lake Ashton. I'm very grateful to have Lake

Ashton as one of our partners, and I'm willing to do whatever it takes to not only retain your partnership, but grow the program to make it the best it's ever been. Respectfully, Jeff Metz, President and CEO."

Mr. Plummer: Thank you, Jill. I just thought that, that might give everybody insight to what you're asking questions about Lloyd, etc. If you want to continue with your question, do so now please.

Mr. Howison: I guess my question is, under the current contract, this Board is responsible for any operating losses. Would that be the case going forward under this new agreement?

Mr. Porricelli: Yes, it would be. We tried to do it the other way that we talked about before, but legally, we couldn't do that.

Ms. Trucco: Yeah. I could just interject for a second. For those of you that I have not said hello to, my name is Kristen Trucco, I'm an attorney. I work with Jan Carpenter. I also practice public finance and I'm aware that the first proposal that came in, had proposed to share in losses, and while that does sound attractive, I understand. Please know that the clubhouse was constructed and financed using a tax-exempt bond. Because of that, there are certain restrictions on our means for private use of that clubhouse. The one restriction that we have to follow is that we cannot share profits and losses. We can hire a private management company, but we can not share in profits or losses. The second proposal that Metz has submitted, we've let bond counsel review and they have said this second proposal is legally permissible because we're not sharing, but they're receiving a portion of the revenue before expenses, so not profit. The 10%, it's a gross revenue before expenses. We're restricted against sharing profits or losses.

Mr. Realmuto: Kristen, I might ask a question of you. I understand that we can't share profits and losses. I think you've stated that the letter as presented is acceptable essentially. My question to you is, while that's acceptable, it does nothing to address the expense side, it addresses these revenues. It's also acceptable to limit expenses much as we do when we accept the quote, we do a not to exceed amount. In fact, in our own contract with Governmental Management Services to manage the CDD, there's a clause in there that limits expenses. Perhaps more to say about this later, but it would be illegal for us to limit the expenses, would it not?

Ms. Trucco: Yes. Just to confirm, I think you've touched on it. One other aspect that makes this second for proposal legally permissible is that we're paying a fixed fee of \$35,000 and that there's a fixed percentage of revenue also. 10% of revenue over \$845,000, that's capped at \$35,000.

Mr. Realmuto: For the benefit of the audience, I know the letter was read. There was a lot of detail there. I'm going to just briefly summarize what's being offered essentially for the remainder of this fiscal year as I understand it. They're essentially offering to waive the management fee. They have the dates wrong, I assumed it would be for four months. The management fee is \$5,833 a month, which happened to be 14% of our revenue this last month. If you multiply that by four, essentially, it's a savings of \$23,332. That's through the end of September this fiscal year. In addition, for next year, essentially, what they're doing is lowering the fixed portion of the annual fee by \$45,000. However, there's a clause basically. If they meet certain revenue goals regardless of expenses, they would essentially get that back. That's what's on the table.

Mr. Costello: What are the plans? What are the changes that we're looking at? Because it's pretty obvious that something is dramatically wrong in the restaurant. I've had a lot of people come to me and I believe that during the day, you are ordered to cut down on a wait staff and everything else. We've got to limit the menu too, so that's like sandwiches and hamburgers, that's it. Then maybe do that throughout the week and then on the weekends open up as a full restaurant. But if we continue to do what we're doing, quite obviously, we're going to be taking on a loss that we cannot sustain. This is totally unbelievable the amount of money that we've spent and I cannot vote for anything that is going to bring upon another financial deficit to this community. We've paid enough already. Do you people have any plans, have you looked at the situation and tried to more or less, and not only that, I realized that inflation is killing us. But by the same token, I know that we spoke, I was with John DeWinkler and we spoke with him about hot dogs and stuff for bingo at night. Six dollars for a hot dog? I was in New York City a couple of months ago and I could have bought a hot dog for half the price. Is there anything that we can do? Believe me, the biggest part of that problem was the fact that you people had no labor involved. This was on the bingo workers, all you were doing was boiling hot dogs. It's a little bit pricey.

Mr. Plummer: First of all, to address Mike's first comment was is that the menu for basically the whole restaurant has changed from what it was, and it is basically sandwiches. Anyways, so what you were suggesting for lunchtime is basically all day, every day with the exception in the evening, there is a special every evening of different items as well. Part of what you talked about that is being instituted.

Mr. Costello: Well, the only thing there, is the fact that we still got a bill for \$13,000. I think it was for this month. I mean, 13 times 12, we're looking at what, \$157,000 dollars for the year, that's quite a bit of money. That's well beyond what we're budgeting on.

Mr. Plummer: Mike, do you want to address?

Mr. Porricelli: Like we always will, we will continue to make changes and do things to try to lower the amount of money that you have to pay. The menu management, the marketing, those are things that we're continuing to do but were not coming into this saying that you're not going to have a loss next year. We lowered our fee so that it won't be so painful, but we can't come into this next year guaranteeing that you're not going to lose any money.

Mr. Costello: Can we maybe regrade on the contract where we'll pay you a dollar a year as a management company, whatever the money is, is yours. Can we do that?

Ms. Trucco: Yes, you could pay them a fixed fee of \$1 per year. Then they would incur that revenue or loss.

Mr. Costello: See, at this point, and I'm not saying you, I'm saying Metz is expecting us to take on the liability. Maybe it's your turn to take on the liability. We'll give you the dollar a year or 10 dollars a month even I would be willing to go.

Mr. Realmuto: Excuse me. I would like to interject, Kristen, maybe you can check on that.

Mr. Costello: But in all seriousness, maybe it's your turn to take on some of the fiscal responsibility. I mean, we have a tight budget this year to begin with. We have a really tight budget. I can't see how we can afford to go on with this restaurant.

Mr. Realmuto: Before we proceed with false assumptions, I'd like to ask Christine maybe to check that with Jan offline. I think we had previously been counseled otherwise, on that. Please double-check that, I'm not sure.

Ms. Trucco: Okay I can. But the point is that they could incur the majority of revenue losses. There'd be need to be some consideration for any agreement. The other option that Jan had put together a memorandum for this Board, it proposes a lease option as well. The District, which would probably be more in line with what you're proposing, like a dollar or something like that where we don't have any loss or gain, and the gain would be more leaning towards a lease agreement.

Ms. Landgrebe: So what is Jan's proposal?

Ms. Trucco: Actually, this is a proposal from Metz, this is Metz' second proposal that they have come back with.

Ms. Landgrebe: So did Jan work on that?

Mr. Plummer: Jan worked with the attorney from Metz to get this down to be consistent with legal ramifications, if you will, of the situation. I think that we could do exactly what you just mentioned. We could lease the restaurant to them.

Ms. Landgrebe: Why wouldn't they pay us?

Ms. Trucco: They would, they would pay us.

Ms. Landgrebe: I wouldn't pay them.

Mr. Costello: Because if we do that, we incur \$13,000 in taxes on the building.

Ms. Landgrebe: If we lease them the space.

Mr. Costello: If they leased the space, we incur \$13,000 in taxes. On one building. If we have them as our management company, we continue in the same condition we are.

Mr. Plummer: I think Kristen can talk to the fact that when there's a lease, we will incur the property tax.

Ms. Trucco: That's correct. You will incur tax on that. One of the things that Jan looked into as an alternative to a management agreement, it's probably not the Board's best interest to be paying one dollar. Alternatively, we could lease out that space to a private entity, but we needed to do some legwork on that. Again, because the clubhouse was constructed with bond funds, those bond funds came out of a Series 2001 and 2003 bond issuance. So what we did was we went back through the District's records and we pulled all of the requisitions, which is when the District pays the developer for completed work that's contemplated within each bond. That clubhouse was contemplated in 2001

and 2003 bond issuance. So we went back, pulled every single requisition, and looked for anything related to the clubhouse. We sent all of those numbers to our bond counsel who ran tax assumptions to see if we still fell within the permissible private use percentage that's set by law. Bond counsel has rendered the opinion that yes, we are permitted to lease that space. It has to be for a fixed fee, it can't be zero dollars, it can be one dollar. It would have to be a fixed fee that we could lease that space out if they could do what they'd like to do with that space. If it is done in terms of our lease agreement. The alternative option is to just have a special event rental policy in place where residents could rent out the clubhouse for a fee. Those are the three options. We can enter into a management agreement with Metz or another company so long as that we're not sharing in profits and losses or we can lease out that space for a fixed fee, or we can have a special events policy for that space to be rented.

Mr. Plummer: That's basically the three options we have.

Ms. Trucco: Those are the three options, yes.

Ms. Landgrebe: So what would our legal team suggest as an appropriate fixed fee in the lease agreement since a dollar is not acceptable?

Ms. Trucco: You would probably need to get bond counsel's opinion on that.

Ms. Burns: As you all know, there have been several restaurants that we have had a lease agreement with in the past. I know one of them paid for the property taxes. They paid roughly \$1,000 a month which basically covered property taxes on the buildings. That was permissible at that time. Of course, you have to make sure that that was still permissible with them. That was one of them that was charged separately \$1,000 a month.

Mr. Plummer: I'm going to interject one thing here. Not change it but give you a little clarity. In my discussion with Metz or our discussion with Jeff and Dennis, and everybody else and I didn't get the feeling that they were interested in a lease of the facility.

Mr. Porricelli: No, they are not.

Mr. Plummer: No matter what the numbers.

Mr. Howison: We've got about 100 days to the end of our fiscal year. What can you do to show us within that 100 days that we're going to be able to operate this thing at a profit? Because we can't operate it at a loss.

Mr. Porricelli: We're not going to be able to operate it at a profit. It's not possible. But then, the budget that we put forward for next year, is showing a loss of \$78,000. That's very aggressive. That's best-case scenario.

Mr. Plummer: A couple of things that I'd like to approach in regards to what Mike just said and I the letters that Jill read as well. If there was a minimum here for restaurants before, it was prior to me, so I really can't speak to that. But that idea has been floated around about a minimum and we floated that. We've talked with Metz about that too and even at that amount, depending on the amount that you would put in, whatever that minimum was, is whether it would actually come to break-even or not. It depends on the number you set. I know that that is popular in some circles and not real popular in other circles and unfortunately, the only residents in Lake Ashton that we could require to do that would be the ones of the Lake Wales side of Lake Ashton. That also narrows the numbers down as to where you would come with that. Having said that, that has been part of the discussion about how that would work. The other is the restaurant basically, this could be argued all day, in my opinion, is an amenity. Part of the cost is no different than what you pay to keep the pool up or resurface the tennis courts or redo the bowling alley, there's a certain cost that is assigned to that. If that's the management fee number, then so be it. But after we get beyond that, is where we get into the issue with the profits and losses. Up to that, if you treat it like a managed, like any other amenity, you're going to have costs regardless. I think at this point, this Board's decision is since we have the 90-day notice has already been established. We've already negotiated that. It is whether that continues or whether we want to reverse and I realized you started down the path of reversing to the end of the fiscal year. If you want to address that one more time because I cut you short.

Mr. Howison: I mean, my question was, what can they do in that period of time to demonstrate to us that they can operate this at a break-even operating cost. I understand there's a management fee. I have no problem with a management fee. I don't think

anybody out here does, but we cannot have a management fee and then continued losses month after month after month. It's just not going to be tolerant.

Mr. Plummer: The letter addresses the management fee and it takes that completely out as well as the salary of the manager.

Mr. Howison: Exactly.

Mr. Plummer: Those two would not be in there for the remaining portion of this calendar year.

Mr. Realmuto: Actually unless they hire a manager before that, it's whichever is earlier. I would like to address a few things. You've heard about a couple of options that we have. There's a place in the agenda to discuss options going forward, and I still think we're going to need to cover that. But what's on the table now is addressing the Metz management contract. At the last meeting, we did vote to give them 90 days' notice and as you heard our Chairman, Supervisor Plumber, say they've actually negotiated an earlier exit, sometime around the end of this month, that was amenable to both parties. That's what we're looking at. I believe it's the Metz management contract that we need to focus on and I'd like to address that. First of all, as a couple of others have alluded to, and say the restaurant is an amenity and we should not expect to break even. I remind you that all of the dollars we're talking about refer to the restaurant operating budget. They do not include the \$50,000 or so that we, the Lake Ashton CDD, provide to support the amenity outside of the operating budget and that includes maintenance, repairs, equipment, all utilities and more. I'd like to thank the District Manager, Mike Porricelli, for all the work he's done to improve the situation in the restaurant. Some months it works and some months it doesn't and I'm sorry if what I have to say may seem harsh, but I believe the numbers tell the real story here.

B. Presentation of Restaurant Financials for May

C. Restaurant Financial Dashboard and Analysis *(requested by Supervisor Realmuto; all back-up pertaining to this item provided by Supervisor Realmuto)*

Mr. Realmuto: The financial dash report that I provided in the agenda packet shows first, the first eight months of this fiscal year, which is October 21 through May 22, including what should be the best months of the year, we've already lost over \$120,000, exceeding the budgeted 12-month projected loss of \$110,000 by \$10,000 with what are

typically the worst four months left to go. That's on top of over \$220,000 we lost in a little bit over nine months. The restaurant was opened in FY 21. In my opinion, we're likely to lose at least another \$40,000 this fiscal year, even with the management fee reduction offered by events. That's likely to leave us with a loss for the year of at least a \$160,000 or over \$50,000 more than we budgeted. Under the current contract, there's no limit to how large that loss can be because expenses are not limited. The financial dashboard also shows that monthly expenses have exceeded revenue by an average of over 24% and have never been higher than this month's expense we billed for, which is 32%. That means that for every dollar patrons spend, the restaurant spends \$1.24 or in other words, loses 24 cents on each dollar received. The historical data shows that in some months that revenue has increased, expenses have increased even more, driving the deficit even higher, and clearly demonstrating that increased revenue does not guarantee to approving the deficit. The only way to do that is to reduce the restaurants' excessive operating expenses as a percent of revenue and the deficit that creates. Finally, the restaurants' own weekly guest counts show that after giving the restaurant multiple second chances, residents have voted with their feet. Recent weekly guest counts are down to less than one-third of what they were just two to three months ago. We saw only 295 guests the week ending June 4th versus 976, the week of May 23rd. Yes, the restaurant was closed an additional day a week, but that doesn't account for the magnitude of the difference, and the loss would be even greater if it wasn't closed that additional day. The huge deficits are about management's failure to manage expenses, not revenue. I have a lot more detailed response to the proposal. In the interest of time, I'm going to defer that unless a motion is actually made to reverse that decision made at the last meeting.

Ms. Burns: You said it was a motion to not reverse?

Mr. Howison: All I'm saying is I can respond to some of the details in the proposal, but I don't want to waste everyone's time by doing that. The Board made a decision last month. If a motion is not going to be made and seconded to reverse that, there's no point in my wasting everyone's time, so I'll stop talking now.

Ms. Landgrebe: Before we move to a motion or no motion, I would like us to discuss the option as far as exit strategy. Where do we go from here? Should the Board decide

to continue on this path, what do we do and what's the plan? We can't just exit and leave our residents hanging.

Mr. Plummer: First of all, the exit for the Metz Corporation is already in motion and already moving forward. I think it would be premature to go down the road that you want to talk about until we decide what we're going to do with the Metz contract. If we're going to let it go ahead and expire and they would be out of here, I believe, at the end of June as we've talked about, then we can move on to that discussion. But until we make that decision, that discussion is premature.

Ms. Landgrebe: I would suggest it's not.

Mr. Plummer: Whatever is going to be the woods after that decision isn't going to be any different than it is now.

Ms. Landgrebe: Okay.

Ms. Trucco: I just want to clarify something I actually just asked Jan about a question that Steve had raised about charging one dollar. I just need to correct myself. On a management agreement option even if Metz would agree to the one dollar, that is not permissible under the management contract because it would put the Board in a profit and loss with Metz on the private entity which needs to be separately. We could go into that, I just wanted to clarify that.

Mr. Realmuto: With regard to what to discuss next, I agree with our Chair. I believe it would be premature to discuss next steps. That's going to be a long conversation and I added it to this agenda. I do think we need to start that conversation, but it's not going to be resolved at this meeting. It's happened before, we'll get through it again this time. We need to resolve the question on the table before we can move forward.

Mr. Plummer: I think that we're at the point where we need to decide whether the continued exit strategy that's been negotiated continues or whether we reverse course and remove that exit strategy. I guess that's where we are. Quite frankly, if there is no motion to discontinue the exit strategy, then what we already have voted on to put in place still goes forward. That's the reason that after your direction at the last meeting that we worked diligently with the Metz Corporation to do the 90 days so that we didn't delay that beyond this meeting, even though we knew there was going to be some other proposals that were going to be presented. I think that at this point, we need to decide whether we're

going to make a motion to terminate the 90-day exit strategy or whether we're going to just let it continue.

Mr. Howison: I'll just say one thing, I would very much like to keep Metz here. I think that if you look at the cooperation of Metz compared to the last several restaurant operators, there's no question of their sincerity and their intent and their effort to do well. But under these circumstances I can't make a motion.

Mr. Plummer: I do not see any movement for anyone that wants to make a motion so I guess we continue with the exit strategy. Metz will terminate hopefully still the end of June. End of discussion.

Mr. Porricelli: Thank you so much.

Mr. Howison: Thank you.

Mr. Plummer: We appreciate all you've done. We really do.

Mr. Porricelli: Thank you.

Ms. Landgrebe: Thank you, Mike.

D. Short Summary of Restaurant Usage Options

Mr. Plummer: We've already had the short summary of restaurant use these options as were the three that Christine proposed.

E. Discussion Regarding Restaurant Next Steps *(requested by Supervisor Realmuto)*

Mr. Plummer: The next step is the discussion regarding restaurant next steps. I think that's where we really need to go. Obviously, as Steve has alluded, this is not something that's going to be a very quick decision. I think it's something that takes some thought and some exploration, if you will. I do have a couple of ideas in that regard. I think that one thing that we could do that might serve us well is have a small focus group from residents who have restaurant experience, to come and look at our facility, look at what we've done in the past, look at our track record and just come up with some ideas that maybe we would want to think about. That committee would be void of any Board members. I think that Christine could lead that discussion and answer their questions, but just record the information and not really have a lot of input other than what was requested. That's my idea to get some additional input that's outside of the five of us who

have ideas as well, but at least see what some fresh eyes might have to say. Further discussion?

Mr. Realmuto: Well, I added this item to the agenda because I believe the Board needs to provide some direction to staff on what we want them to do and to inform us about where we go from here. There are many aspects of that discussion. Bob, you presented one and that was proposing a focus group on it. I'd like to take a step back from that even. The first decision we need to make is how slow or fast we want to move on this proposal. There were some residents who would like to move quickly and simply put out an RFP for restaurant leases as soon as possible, so that something is a place during the busy season. That's certainly one way we can go. That's the way we've done in the past then as you know, it hasn't always ended well. Perhaps we want to take more time as you've suggested, Bob, and put together a focus group and discuss other options. It sounds like it would be brainstorming, bringing ideas over. Residents need to realize that will take longer. My question for my fellow Board members and members of the audience, if they want to comment at the end during public comment, is do you see an urgent need to get a restaurant in here as soon as possible, or can we take the time to look at the situation and try to do what's best for Lake Ashton going forward on a long-term basis?

Mr. Plummer: I think taking time does a couple of things. One, it allows us to take a deep breath and where we've been in and not jump into the fire, so to speak, so quickly. I think taking a little time to do exploration and find different ideas or new ideas is a smart move. We've been down the leasing, we've been down with the management company, so we need to look a little farther than that. I realized that under some previous leases, there may have been, lack of better term, too much oversight from the Board. Once you lease a restaurant out, just lease it, take their lease money, get out of the way and let them do what they want to do. I think that may not have happened in the past and we would like to see whatever we do in the future for that to be the case. If we go the lease route, then when they come in it's up to them what they do. Lease the space, it's a restaurant. As long as they're paying their lease and paying the insurance that we need, then after that, I don't care if they make a million or lose a million.

Ms. Landgrebe: Well, let's talk about the next 60-90 days because most of the residents probably want to know what happens July 1st or whatever. For the short-term Christine did a great job previously with food trucks, negotiating with various caterers to come in and hold reserved or special dinner nights or whatever. I would like to suggest maybe in the interim, we head possibly down that path. Then in regards to a focus group, give them some type of timeline. This is not something like Focus 2025 where we can take months and months. Perhaps consider a focus group with an end date of when we would like response or input back to the Board.

Mr. Plummer: To address your first couple of questions, Christine and I have had a significant amount of discussion about food trucks and caterers coming in and doing events just like what you've talked about it. That idea is out in the forefront right now and I think it's something that will be through the summer months or early months here when folks come back. I think that if we do have a focus group, and I highly suggest that we do that, that we do put a deadline on them for a report, whether it's 30 days, 60 days, or whatever the case may be. Because obviously, whatever ideas they give us and we decide whichever way we're going to go, if it's advertising for a lease, then we're another 30-60 days out for that and all of a sudden, we're towards the end of the year. But quite frankly, I would rather take the time, do the research, and try to do it right.

Mr. Howison: I would suggest then you mention that you'd like a focus group to consist of people with perhaps restaurant experience. I'd also like to suggest then that any member of that focus group not be able to bid for operation of the restaurant to avoid any potential conflict of interest.

Mr. Plummer: That's a good point. We actually have brainstormed about 10 members that we know have restaurant experience that quite frankly, we don't think have any interest in having the restaurant themselves because we had talked about that as well. We don't want that to be a tainted discussion between that focus group. We want that to be strictly ideas from their experience and what they see. Would it be appropriate to say that we we'll set the focus group up with some type of brief to work from that focus group by the August meeting? In 60 days.

Ms. Burns: That would make sense.

Mr. Plummer: I think 30 days is a pretty short parameter with summertime vacation and traveling, but I think 60 days might be good. Do you agree with that timeframe, Christine?

Ms. Landgrebe: I do want to say to our residents that those who are happy with our decision, we also need your support and to those that are upset and concerned, I have to believe that we will do what we can to get food trucks, caterers here to help. Then I also want to remind you that each of us have a responsibility here too. We are very quick to abandon the restaurants, as was noted with numbers and stuff. I don't know what we need to do, but we need to be willing to participate and not just social media sabotage.

Mr. Howison: Getting a bad hamburger and putting something out on the Talk of Lake Ashton and then having 40 people pile on, doesn't help. It doesn't help your investment in the community, doesn't help your property values, and certainly doesn't help us keep a restaurant.

Mr. Realmuto: With regard to next steps, it seems to me we have two paths, almost two things that can proceed in parallel. The long-term plan, which is what you've talked about. It would start with the focus group and go from there. I think we need to have a shorter-term plan that can be implemented in parallel. It would include things like the food trucks. Just to relay residents' concerns, I know that we have events planned here that were going to be catered by Metz. We have a backup plan in place for that. None of those events are going to change. They may be catered by someone else. But those events, will go onto my understanding as planned with no changes. I believe the short-term plan, the interim plan, needs to look at what else we can do utilizing that space or otherwise. For example, if we thought it was financially viable, we could continue periodic days when we bring in a band and maybe a caterer to go along with it. Every Sunday might be a little often. We have to look at the numbers and see what makes sense, but I would think we could do that at least once a month. Residents seem to really enjoy that and I think we should continue that. If anyone has any other ideas, I urge them to get with essentially our focal point, which is our amenity manager, Christine, to give her those ideas. She can talk about them with each of the Supervisors individually and propose a plan going forward, even implement some things between this meeting and next meeting. Just because we chose to allow the Metz contract to terminate this month, doesn't mean that

we won't have a restaurant or we won't have activities going on that we've had in the past. I think it's important for everyone to know that and for you folks here today to help get the word out about that and support them.

Mr. Costello: One of the things that was brought up to me is the fact that we have a culinary school over here at the college. One of our residents spoke to the head of that who said he was willing to come in here and take a look at the place. Quite honestly, if we're going to put a focus group out there, I think that maybe if we could get this guy to come in and take a look. He's got a lot more experience than anybody sitting at this table, I think. It's just every 2-3 years, we end up with somebody new in here. There's got to be a way, like I say, maybe we limit the menu during the week and then on weekends go with something bigger but there's got to be a way that we can maintain a restaurant in this community.

Mr. Howison: I know in Lakemont, there are a couple of facilities with pop-up restaurants. Somebody comes in for two weeks, operates a restaurant and then goes. It might be that the culinary school might be willing to do that or do a day, a week.

Mr. Costello: As long as they send us their A+ students.

Mr. Plummer: The school that Mike is referencing is Vanguard School, which is a residential high-school, correct? Is it residential? I know that they have a person who runs that and they have just hired a chef that is now on Board in a teaching manner with them. I have not gotten a handle on whether they would be interested in listening, but I don't know where they're at as far as trying to staff something because it's five or six days a week, I think is an issue there. But I certainly think that we ought to talk to them and see what their proposal is.

Mr. Costello: The resident that I spoke with said that he had spoken with the head of the school over there, or whoever runs the restaurant and he appeared from what I understand to be quite interested in coming over and taking a look at least. If it's not going to cost us anything in reality, why wouldn't we want to listen to somebody who apparently knows what they're doing with it? We may want to look into that also. Maybe we could have Christine contact the school and see if we can get it rolling a little bit quicker. As a matter of fact, what I will do is because I don't want to give any names out, I will go to this person because he said that he had contact information. I will get you the contact

information. You can give them a call and see what they're willing to do with us, which way we can move going forward. Like I said, apparently, these people have experience and experience is always the best teacher.

Ms. Landgrebe: I think we have several short-term suggestions. I do like that pop-up restaurant. That's very popular in other parts of the world. Then with this focus group, it sounds like you already have some folks in mind. Residents, please give your feedback to Christine or send us all emails.

Mr. Plummer: We will start down the path of that.

Ms. Landgrebe: Yeah.

Mr. Plummer: We'll also get in contact with the Vanguard School and find out what that is. Then hopefully by our August meeting then we'll know which direction we may want to do. We'll see if we can't get the focus group to get something done and maybe get that data out to each individual Board member. Any thought process prior to the Board meeting in August?

Ms. Landgrebe: Metz will be out of here at the end of June?

Mr. Plummer: Correct.

Ms. Landgrebe: Okay. In the interim, can we also provide Christine the capability of renting that space out? No? We can't rent out for meetings?

Ms. Burns: Not without setting rental policies. If it's in line with fees that are already placed by the CDD, then I think we could do that. But if you wanted to set a different fee, we'd have to do hearings and stuff, so within then the parameters of the existing policies? Yes.

Mr. Realmuto: I don't believe we have any fees set for that space in particular, but quite frankly, I don't think it's necessary for us to charge fees. We're here to serve our residents.

Ms. Landgrebe: I am talking outside.

Mr. Costello: Here's where our attorney comes in on the legal end of it. What are our constrictions? What are we allowed to do, and what are we allowed to move forward with?

Ms. Trucco: I think yours sounds more in the line of special events.

Ms. Landgrebe: Like small weddings or Police Association meetings or something like that.

Ms. Burns: It would depend. We do have to go through the statutory law hearing process. It just depends on the views already in the community, if there's a special event, or policy already in place, with specific language, the clubhouse may fall within that language. Otherwise, if it doesn't, we have to go through that whole hearing process again, which is not that hard, it's just something that we need to do.

Mr. Costello: A big thing there is that what about insurances? God forbid, we have a situation where we have damage, or fire or anything like that in the restaurant. What are we going to have to do as far as insurance?

Ms. Burns: We already have policies in place to rent this room to outside groups. The clubhouse rental fee, that is set for the clubhouse, I think we can implement for using that room. If somebody would like to pay, what would you pay to rent this room to do a luncheon, you could rent that space to them under our policies that are existing now. Insurance would be the same for that policy as it would be for here. They sign forms and waivers, are liable for any damage, they pay deposit just like we already have set in our policies if they want to host a wedding or any event in this room. I think to the extent, they're outside groups who want to host a luncheon or something like that and bringing their own food and catering, it would be the same policies we already have set for this room.

Mr. Costello: The insurance company, God forbid, we have a problem is going to come in and they are going to take a serious look at it and they're going to say, well, this person wasn't qualified in this area, that area, the other area. As long as you're saying that we are covered, I'll take your word for it.

Ms. Burns: We have insurance coverage on this whole building. I don't think the intent is that we're going to allow an outside group to operate that kitchen, by any means. I don't think we're not doing anything that wouldn't be allowed in this room.

Mr. Costello: Let me tell you something. After 35 years in the business, I've seen a lot of people look at their insurance policy and say, "I never knew that the stipulation was in there." All I'm saying is it may be in our best interest to review everything and make sure that we don't come up with a problem.

Ms. Burns: Absolutely. Got it.

Ms. Trucco: We can confirm with the insurance company that it covers that. But I'm guessing if the clubhouse had a restaurant, we already had insurance on that space because we own it. They would be insuring us for the reasonable use of that clubhouse. But for contractors, we require them to go get insurance unless the CDD has matured. But with our insurance carrier, we can double-check this has that clubhouse under our policy. We can always just double-check and let them know, "Look, we are changing the use of that from a management company renting a restaurant or utilizing that space for a restaurant. Now we're renting it out to residents for special events. If you have any other cautionary measures you would like for us to take or suggestions you would like us to take."

Mr. Costello: That's exactly what I'm saying.

Ms. Trucco: Then as far as the rental, it sounds like Jill is saying we have a standard waiver in place that requires residents to identify us for any damages during the process so we have something in writing.

Mr. Realmuto: One option we have before us, I'm thinking of continuing with the regular Sunday entertainment again, not necessarily every week but our ability to do that. I just want to be clear, I don't think there's any impediment to we, the CDD, actually sponsoring an event like we sponsor events in the ballroom. I don't know if it will make more sense in the ballroom or in the restaurant space but, regardless, to sponsor it in the restaurant, and contract for entertainment, and perhaps a contract for a caterer to serve the people that are there for that.

Ms. Burns: Correct. Just as you do for this if you want to bring entertainment in.

Mr. Plummer: I think we know the direction that we're headed at this point.

Ms. Landgrebe: Christine, any questions?

Ms. Wells: It's mainly in regard to the exit strategy for Metz. I know we have liquor inventory and food inventory. Metz has indicated that, correct me if I'm wrong, Bob, they'd be willing to purchase back some of the liquor inventory, the food inventory. They were checking to see if they could. I just know with it being the end of June and we're not going to have another meeting before then, is there someone that should work with me on those types of things?

Mr. Realmuto: Actually, along those lines, I think we should sell anything we can probably, primarily the liquor.

Mr. Plummer: Well, I think that's been the conversation with Metz in both regards. Some of the items they can't move to other venues that they have without a problem and credit us back for those, but there are certain things that they cannot. I think that's a work in progress that is going to be individual by which refrigerator we're in, which cooler we're in or which back bar we're in. I think that there's not going to be a blanket decision made. It's going to have to be a per issue decision.

Mr. Realmuto: Sure. But along the same lines, there were other major expenditures that we have that we paid for such as, the POS system, for example, there's probably others I'm unaware of. I know they own the computers, laptops, but perhaps the printer. Things like that, again, we should make it that we can sell them, they have some value. Either sell them if we can, otherwise keep them for future use. But really, with regards to the food, that's likely to be something that people aren't interested in. You joked about having a party at Bob's house. Well, maybe we throw a party for Lake Ashton with what's left and grill or do something for the residents. Again, not everything needs to make a profit. It just needs to benefit our residents.

Ms. Wells: That's definitely an option as well. That's why I just wanted some direction.

Mr. Plummer: I think there are several options out there that we're going to work on. I think it's just not going to be something that we can tell exactly today, what's going to happen. But it is going to move pretty quickly because the end of June is coming pretty quickly so it's not going to be really slow here.

Ms. Wells: I think one of their option was that they could, while they're still here, get rid of the foods for us either in the form up a party or at severely reduced amounts. Do we just give them that direction to do what they can, to get rid of what they can before that time?

Mr. Plummer: Well, we'll work with them on that.

Ms. Wells: Just work with Bob? Okay.

Ms. Landgrebe: Are you going to do that, Bob?

Mr. Realmuto: That's fine. My only concern would be additional expenses. Quite frankly, it's their management fee. I don't want to see it continue beyond June.

Ms. Wells: Sure.

Mr. Realmuto: Because it is substantial, so whatever can be done within those constraints, there should not be a bill for any management fees beyond the month of June.

Mr. Plummer: In their discretion, that's been actually June 30th. I won't say it's the drop-dead date but it could be the 29th, it could be July 1. But, I mean, that is the deadline and we've not talked about anything going beyond that at all.

SIXTH ORDER OF BUSINESS

New Business

A. Discussion Regarding Fiscal Year 2023 Operations & Maintenance Assessment Increase *(requested by Supervisor Landgrebe)*

Mr. Plummer: Next on the agenda is Item 6, new business. It's a discussion regarding fiscal year 2023, operation maintenance assessment increase requested by Supervisor Landgrebe.

Ms. Landgrebe: Yes, gentlemen, I know last month, we had a joint meeting and we were stressed for time. I heard Brenda stated that an amenities increase this year could be a slap in the face. However, I will tell you that not having a more detailed discussion and knowing where we're at today would put us in greater jeopardy with our residents. That being said, I do want to remind everyone that I've been working closely with Christine on the reserve study. We did separate the number of things out, this continues to be a work in progress. The only thing that we did add in is we've had discussion about the fact that we spend, I believe, about \$10,000 a month to rent the street lights throughout Lake Ashton to TECO and it seemed that we've had positive discussions about taking ownership over those things as those contracts come up. I think the first one is around 2025 or so. We've talked about going to solar lights since we are in Florida, the sunshine state. We did add some fees for that. We did also add the fact that on the research study, we did not do lights for tennis courts so we pushed that. That was supposed to have been done in '21. We did move that into 2024. Where we are expected to end in '22, what we did do is what we've approved so far for the budget and then we added what has been approved but not paid for, such as bridges, we still haven't

paid that bill, the ellipticals, the activities desk renovation. Things that we've approved, that will come up to about \$163,000. Anyway, we're anticipating what our expenditures will be for this end of year. Then we are anticipating transferring the reserves beginning in '23. You see that at the top of the '23 page, what our contributions should be or whether it's recommended to be. Then on the bottom of the page where we say what it looks like if we don't add anything else. Same with '24. When you look at '25, this is when the TECO light situation would kick in and you can see what happens from there.

Mr. Costello: What year are you saying the light situation is?

Ms. Landgrebe: I think the contract is in '25.

Mr. Costello: '26?

Ms. Burns: It's '25.

Ms. Landgrebe: In '25 it's 81 lights start and then every year, it's so many after that. Trust me.

Ms. Burns: It's definitely '25.

Ms. Landgrebe: Remember, I so appreciate that this Board does treat this money as if it's ours. I realize that last year when the statement was made about not wanting to do increases, it was an entirely different world. In the reserve study we are looking at, we added a 4% inflation rate and yet inflation is running around 8.6% now. There are items we can't get that are on backlog because of the current world environment. We've seen it, everything we've priced out is much higher than when it comes into bid. I think we're in a different situation than when you all made the statement about not wanting to increase for this year. No one wants to hear increases but we can't afford to go in the red either. Even when we look at some of the items we've already approved, I don't know if we're going to get them for what we approved. I'm presenting this to you guys for discussion, to take a really heartfelt look at it. I mean, we need to move forward with things. Look at the even the road for Berwick. We allocated \$90,000 and it's coming in at \$107,000.

Mr. Costello: On the lights, the first contract ends, according to what I have here, on July 6th of '26 with 81 posts. It includes '26, there are three contracts in '27, there are two in '28, there's one in '29. Our biggest thing, I think, is going to be getting through the first half of it. It totals 232 lights, which would mean that the first half would probably be done by May of '27. I think that once we do that, the savings that we will realize because

we're spending \$126,000 a year to rent light posts, we don't know what TECO will come back to us with. This is a cash cow for them. I'm sure they're not going to give it up easily. But if they want to maintain a contract with us, I think they'd better get realistic because you figure it out at \$126,000, they've had those light posts out there for 20 years. They've got \$2,520,000 out of those light posts.

Ms. Landgrebe: Exactly, which is why this Board has talked about taking ownership.

Mr. Costello: Taking ownership would be good but if they can come out with a reasonable contract, why would we expend the money when we're going to get it at a reasonable cost? We could end up in the end, yes, having the money put aside and saying, guess what? We don't have to spend that money, we can do whatever with it. Let's face it, you're right, 8%, is conservative for this year on inflation. I was at the gas station yesterday and it really is sad. We have to consider the fact that a lot of people, including you and I, we're on fixed incomes so we have to be very careful there also.

Ms. Landgrebe: We do and we also need to plan ahead. Even if we don't know if we're going to stay with TECO when there's no reason to think that they are going to do a big compromise, we still need to plan, so plan for the alternative. We have other things coming up. We've got expansion at Thomson Nursery and what is that going to do to some of our residents? We need to perhaps plan for sound barriers. We have other maintenance things coming up. We need to plan and add these things to budgeting purposes as opposed to getting hit all at once.

Mr. Howison: What do you recommend?

Ms. Landgrebe: A discussion and then I just showed you, the solar lights based on quotes we have are running about \$5,000 a light versus planning ahead. You see the numbers below what that's going to do in '25 to our revenues.

Mr. Realmuto: You're referring to a document that's dated yesterday, that none of us have seen before this meeting. This document made changes to the last capital reserve study that we reviewed and haven't had a chance to look at prior to the meeting as a Board. I know I certainly want to see the entire document and the spreadsheet and have the time to go through it myself to understand. I don't think you're going to get necessarily that meaningful of a discussion here without us having all the facts or having

the time to consider that since this is just the summary from that page. Thank you for your work on this. Please continue it. I realize it's a work in progress, but we can only review and comment on what we have in front of us.

Ms. Landgrebe: I chose to give you an executive summary, knowing that you've seen the reserve study before, I've told you the only things that we added was the funding as of this date for the potential solar lights. Today is based on Jillian's feedback, I believe is last time that we can entertain no increase on amenity or assessment increase, so hence the discussion.

Ms. Burns: Without a special meeting, it's correct.

Mr. Realmuto: Without a special meeting. I know the rules and the timeline are complex. You're focusing on the capital reserve study. There's a lot more to the budget than the capital reserve study, which is a long-range planning tool. I want to point out that we just made significant changes and the budget will need to be updated based on the decision we just made today. Although I don't believe it's going to have a material impact other than limiting our restaurant expenses, we've done that just for the record under the contractual terms, we'll basically have spent as much on the restaurant as its projected an additional \$40,000 to reimburse them under the term of the contract. The figures aren't going to change throughout this fiscal year for what's budgeted. That's a good thing I guess, except for the additional fees they've build us for May and the bill we haven't yet received for June. Things are going to probably look a little worse than what the current budget shows. The budget will need to be updated for that. But what we did do and why the fiscal 23 budget will need to be updated is that we no longer need to budget for the \$110,000 loss that's currently in the budget for Fiscal '23. We've just added that amount, the \$110,000 to the carryover that will be used to fund the capital reserve fund. By doing what we just did today, we essentially added more to reserve fund than an assessment increase of over \$100 would have it added. I want to point that out. We're in better shape now and I think that before considering any assessment increase, first of all, besides reviewing what these numbers are based on, we need to make the changes I suggested to the budget to understand where that leaves us. I would suggest that since these changes we're talking about depending on whether we believe that your date, Debby's 2025 or Mike's 2026, that's still several years out. I don't believe that it constitutes an

emergency that we need to increase assessments at this meeting. Inflation is high. I am sure we're going to need to increase them next year. I don't believe there's any urgent compelling issue that forces us to do it now at this meeting without prior prep work and the ability to review the figures you're offering.

Mr. Plummer: Whatever we decide here isn't going to be what the assessment will be. We could put a steering on the number that we lock that number in August. Is that correct?

Ms. Burns: You'll need to send notice that of a cap amount and we could bring it down after that.

Mr. Plummer: If we set a number today and did the research that Steve is suggesting, and we come back to the August meeting and say that we decided the money is fine, and we don't need any assessments. We're not held to the number that we put in no matter what that number is. I think that's one of the things that buys us time to do a little more investigation. I'm not opposed to sitting that number knowing that all full and well, we don't have to go there if the numbers don't show that. Do you disagree with that?

Mr. Realmuto: Yes, I guess I disagree. You can say it's not actually doing anything, but it makes it all too easy to do. Yes, I guess you can propose if you choose an increase of up to \$400 in this assessment.

Ms. Landgrebe: That was showing the differences.

Mr. Realmuto: It says, "anticipated reserves at year end if increased by \$400." By the way, that still shows huge deficits in 2026 and beyond. Anyway, my point is essentially what you're suggesting is that why not pass something today, showing that potential increase in assessment were free to ignore it and not actually adopt it in August. But it's one step closer to that \$400 increase that I think a lot of our residents will have something to say about it. My position is that I'd rather shut it down today and I'm not the one running for election, so several of you are. You'll answer to the voters for your decision.

Ms. Landgrebe: Yes, we will. We appreciate your insights, Steve, but let's again, not be ignorant of the fact that we are in a potential deficit. There was no money allocated that previous to the Metz contract for the restaurant, and then we suffered additional losses. Whereas an 8.6% inflation rate, all it does is protect the Board and the residents

by saying, let's look at a potential cap. We still have July to look at the figures and see if we need an increase or not. There's nothing wrong with doing that.

Mr. Howison: I don't have a huge problem doing that. I will want to see some detail because I can't come to the same numbers that you're drawing on this thing.

Ms. Burns: If I'm remembering correctly, I think we sent that notice higher last year than what we ultimately adopted so that established our cap amount. We do have a little bit of room to go up without having to re-send based on the notices that were sent last year. Can you just pull it and verify? Let me just pull the notice that everyone was sent.

Mr. Realmuto: I just wanted to be clear. Are you saying that notice extends forever into the future?

Ms. Burns: That sets your cap amount. For example, let's say your assessments were \$1,500 in one year we had carried forward surplus that gave everybody a \$200 discount for that one time because of the carry forward surplus, you could go right back to the \$1,500 the following year without sending notice because you've actually set your cap. You can't go beyond what you've advertised.

Mr. Realmuto: Let me be sure I understand this. You're suggesting it's the setting of the cap prior to the August meeting and noticing the cap. It sounds like you're proposing today, Deb, that if you propose an increase, that potential increase in assessment holds not just for August, but for future years as well. Therefore, if you increase it this year, it's going to apply to future years. To me that's another reason not to approve that notice because it makes it too easy for you to increase for the future Boards to increase the assessments.

Mr. Costello: Here's a question. In the future, if we decided to, let's say we want \$500, we only registered this year \$250. Now, next year, we could increase another \$250 without sending out notices or what?

Ms. Burns: I'll defer to Kristen because I think you may get different legal opinions and we've heard a few.

Ms. Trucco: I think the statute can be construed that way that Jill is proposing and also, she's talking about the mailed notice. When assessments increase, we're required to send mail notice. There's a separate statutory requirement that requires us to publish notice of the hearing. There's still going to be meeting statutory publication. Just a matter

of the mailed notice. Different lawyers will have different opinions. If you decide to go above that today, you can still meet that 30 day hopefully. Just for the audience too, what we're talking about is this Board could decide to go with a lower amount for the assessments, but not above that amount that they've set now. So say they set it for \$100 more today, they wouldn't necessarily have to adopt that and they would have discretion at the public hearing and an opportunity for residents to come forward and provide comments, objections.

Mr. Costello: Okay. But we have to lock this in.

Ms. Burns: It looks like and it may have been Lake Ashton II that sent the higher amount.

Ms. Wells: Do you know what the cost is?

Ms. Burns: It's 50 cents plus the copies. Probably \$500 something.

Mr. Plummer: Obviously, the next question is, if we're going to raise assessments due to inflation, etc., if we defer this year, does that make next year's assessment significantly higher and would we rather have two years of smaller increases and not one great big increase?

Mr. Realmuto: It's actually three years. Didn't we just increase it last year? It'd be three years in a row of consecutive increasing. There's no question that we're going to be looking at an increase next year, at least. Probably depending on what we choose for this year, regardless of what we choose this year.

Mr. Plummer: I think next year, definitely there would be an increase, but my concern is it may be a rather significant increase, and if we would be better off to do a smaller one this year and a smaller one next year to get to that same number and spread it out and not have that hit all in one calendar year.

Mr. Realmuto: I guess, I'm getting a sense of Deja vu from the discussions the Board had even before I joined it, which were, if that's true, I'm sure small increases are probably easier to stomach. But the one thing I know for sure is that it will need to increase if we do it yearly. There's an additional expense. It's small. I thought we'd come to around \$2,000, Jill, 2,500 is what the total cost is. Besides the mail notices, there's the publication, so the notices and hearings. It's a small amount, but it's yet another increase in expenses. That's why fiscally, and as the Supervisor tasked with watching the finances,

I just have to point out that by doing it yearly, we're spending, say, an additional \$2,000 or \$2,500 in order to make each yearly increase smaller.

Mr. Plummer: But I think as they've gone through the reserve study in the future years just to project where we would be and at what point do we run into that large issue that we have to more than significantly raise the assessment to cover where we're at, at that point. I think that smaller increases along the way, if that will get us to the same point, are easier to handle in personal budgets than the larger increases, either every other year or every two years or every three years. It's still going to be an issue.

Mr. Costello: Right now, with the high amount, we've seen just about every expense that every homeowner has, go through the roof. 8% inflation for the year. To me, I think personally you're being very conservative with 8% of inflation for the year. To hit anybody with a big increase right now, it's very hard to do.

Ms. Landgrebe: I hear what you're saying and that's true. To do nothing brings a greater negative impact to our community. We're an aging community. We are not just physically, but within our community and the amenities, we're in aging. Everything that we proposed in the capital expenditures for next year, we caught a number of them, and the prices we agreed to are going to go up. They're not going down. We need to help.

Mr. Realmuto: I guess, I take exception to that "to do nothing" comment because we have not done nothing. Again, as I remind you, just today, we have improved our financial situation for the next fiscal year by the amount we budgeted to lose for the restaurant of \$110,000. I apologize for losing my voice, but you are interrupting right now.

Ms. Landgrebe: Yes, I am, Steve.

Mr. Realmuto: You should not interrupt. I don't think you hear anyone interrupting you. I don't appreciate being interrupted. You're lacking proper decorum. As I said, we contemplated increases when we were discussing the entire budget and we took those into account and now we find ourselves in a situation the same as if we had increased the assessment by 11 or 12%. I'm just pointing that out. It's not doing nothing.

Mr. Plummer: Debby, we've heard several here. Do you want to make a motion on that?

Ms. Landgrebe: I would like someone else to make the motion. I wanted to present the information. You all know what we approved for a budget for the upcoming year. We

cut a number of those figures back from what the reserve study suggested we do. There are concerns that we're not going to be able to apply these figures. I would like one of my astute colleagues to make the proposal.

Mr. Howison: I'll just break the silence. I can't do it without the detail. You said, \$5,000 per light, 81 lights, that's \$405,000. We don't know whether it's '25 or '26. It appears that it's '26. I have no major issue with setting a cap number, but I really would like to see the detail and would like to have seen this information a week or two ago.

Ms. Landgrebe: I think it's the timing. There were a lot of other things going on, and so the thought was we can put the number out there. As Jill and Bob have said, it's not that we have to go by it, but at least it's a placeholder.

Mr. Costello: I have to agree with Steve that we're losing the cost of the money that we're spending in that restaurant. But you're right. That expenditure isn't going to be there anymore. What do you mean we have to make that work? That's money that we're not going to have to be spending going forward. We spent how much?

Ms. Landgrebe: \$120,000.

Mr. Costello: Well, we budgeted \$110,000, but what's the reality of what we spent this year?

Mr. Realmuto: We're already as of the May invoice at \$120,000 plus, but we still have the June invoice. Plus, we owe them a pro-rated amount of the \$60,000 that's going to amount to roughly \$40,000.

Mr. Costello: Just seeing it this morning, I think that we can wait and maybe look at a more detailed picture of it and make a better decision in a month.

Ms. Landgrebe: According to Jill, we've got to set the cap today.

Ms. Burns: You cannot do the assessment increase in line with your budget hearing. If you wait to do it next month, we won't have enough time to set it up.

Mr. Costello: I'm not in a rush too. I think that we can get by without going to raise it this time. Yet, I have to agree with Bob to do it next year. It could end up being a lot bigger of a raise. This is a Board decision.

Mr. Plummer: I'll make the proposal to set the cap right now at \$300 increase.

Mr. Costello: I'll second it. We can always squash it next month if we want to.

Mr. Plummer: You can always lower that in the August meeting.

Ms. Burns: If you approve this today, we're going to send the notice.

Mr. Plummer: I know. That doesn't mean that that's what we finalize.

Ms. Burns: When we get to the budget hearing, you can adopt the budget for the same amount, anything up to the \$300.

Mr. Plummer: Up to the 300.

Ms. Trucco: Sorry to interrupt. You will incur the cost of the mailed notices because of the increase.

Ms. Landgrebe: But that gives us time to go back and validate the contracts and the pricing.

Mr. Costello: Just to take a good look at what we're looking at over the next year or so going forward.

Mr. Plummer: We have a motion and a second to set the cap on the assessment and an increase of \$300.

On MOTION by Mr. Plummer, seconded by Mr. Costello, with Mr. Plummer, Mr. Costello, Ms. Landgrebe, and Mr. Howison in favor, and Mr. Realmuto opposed, an Increase of \$300 for the Cap Amount of the Fiscal Year 2023 O&M Increase, was approved 4-1.

Ms. Burns: I will just note for staff's help, if we're going to send the notices at \$300, it may be beneficial to have some conversation in July to let us know what direction you would like to go so that we don't show up to a budget adoption with no idea of where you guys are heading.

Mr. Plummer: Excellent. I agree.

SEVENTH ORDER OF BUSINESS

Monthly Reports

A. Attorney

Mr. Plummer: Monthly reports. The attorney is first.

Ms. Trucco: Thank you. Well, as I said before, I'm here for Jan today. She has worked with bond counsel and put a lot of effort into coming to these three options for the restaurant since your last Board meeting that I went through already. If you have any

questions, please feel free to ask me. Otherwise, there are no other comments from legal counsel.

Mr. Plummer: Any questions for the attorney? Hearing none.

B. Engineer

I. Consideration of Bids Received for the Berwick and Ashton Club Repave – ADDED

Mr. Plummer: Next item on the agenda, the engineer's report.

Mr. Rayl: Thank you. Good morning. In your agenda, on Page 63 are the bids that are in for the Berwick work. To review where we've come so far this year, we originally sent work on Berwick out for bid in February. We had three contractors respond. At our last meeting, the Board had an interest in adding to the pavement work by including a section of Ashton Club, which is a snippet I handed out here to the Board. That was the project area and quantities were provided to all the contractors, the same four contractors we solicited the first time. As I said, we had three response bids and Tucker was the fourth, they did not submit a bid. At the Board's direction, we added this scope of additional area for Ashton Club Drive. We asked the bidders to return their quotes to us by May 23rd. AAA Top Quality Asphalt was the only bidder that submitted by that time. Having only one in hand, we kept that bid private. We didn't share it with anyone. It allowed other bids to come in if they were going to come trickling in. It felt better to allow more time. Every contractor out there is very busy right now, so we might have the opportunity to give the bids more consideration. To keep everything above board, we kept that quote private, and did not share it with anyone outside our office. Tucker did submit a bid. You can see in the numbers that are provided that the Tucker bid was not anywhere near AAA. The AAA bid is very detailed. It brings back the information that's provided so we can be on the same page. It lacks the explanation as to how they came up with numbers that high. As I said earlier, the bid that AAA provided of \$107,000, I believe, is their quote, is higher than what we were expecting when we talked about it in February based on this and the additional quantities to the original project scope based off those February prices. Now, we're in June and I was trying to look up to see what percentage increase that the products have gone up since then. Lucky for us we are doing an asphalt roadway. I'm actually happy with it. It's not as bad as I thought being that we had \$107,000

for AAA. Maybe we're a bit higher than they were in February. Asphalt costs are pretty even with crude oil costs, so I think their bid is reasonable for what we should expect for obvious material cost increasing.

Mr. Howison: I know on both quotes, that due to the volatility of the current market, they reserve the right to re-look at pricing for asphalt at the time of installation. I don't know what we might expect, but if we were to approve one of these, I would expect that our not to exceed number would need to be a bit higher than the quote we have in hand.

Mr. Rayl: I think that would be prudent. The AAA bid was dated 5/20, so it's 30 days old as we sit here today. That's probably about the maximum window we're going to get out of anybody.

Mr. Realmuto: Alan, I just want to be sure I understand what the AAA bid addresses. It says on it, Berwick Drive and Lake Ashton. Does it cover the Ashton Club area that's in the map you provided to us as well with Berwick?

Mr. Rayl: Yes.

Ms. Landgrebe: Just for clarification, Tucker is the city approved, so this is their city price?

Mr. Rayl: No. Jan and I have spoken over the last month, just trying to piggyback there. It's actually they are under contract with the county and city both. As I said Tucker had people respond after the deadline with this way out. It doesn't reflect what we were hoping to piggyback in the contract, being able to make use of some better rate schedules. What we'd like to do is, the person that Tucker Paving has submitted, they've been very smothered. Barry was my lead inspector when I was with the county. Barry is not who we normally coordinate with at Tucker, so we're going to try to establish a line of communication with them and see if we can get them.

Mr. Plummer: When I saw those two come in, what came to my mind both having dealt with contracts for years was when you have that much disparity and that one that is high and it's so outlandish, it's obvious that they don't want the job, and if they do get it, they want to make a lot of money.

Mr. Howison: They would make a lot of money.

Mr. Plummer: That's the first thing that I thought was they don't want this job.

Mr. Rayl: As I said, we provided the quantities to the contractor so everybody's apples to apples, there would not be that opportunity for somebody to misread the scope or the scale of the project.

Mr. Howison: Well, it's not going to get any cheaper.

Mr. Realmuto: Hear, hear.

Mr. Howison: I'm going to make a motion that we approve the AAA top-quality asphalt proposal for a not to exceed price of \$120,000.

On MOTION by Mr. Howison, seconded by Mr. Costello, with all in favor, the Proposal from AAA Top-Quality Asphalt with a Not-To-Exceed Amount of \$120,000 for the Project on Berwick and Ashton Club Drive, was approved.

Mr. Rayl: Thank you all. I'll let them know, and get this scheduled as soon as possible. Most of the rest of the things on the list are just very small follow-up on previous months meetings, with the exception of a few. On number eight, which is at the right-hand side, there was a slope failure there that was undermining the cart path and that work is done. The fence is still in place so we've asked the contractor. The third item on the list is we had to relocate the cooking oil. This is not as high a priority now as it was before. I've given you their quote not for any action today. I just wanted to provide it. It came in as twice as much as it should be and so we're going to cut some of the cost out of that. The state-mandated stormwater needs analysis is next, and we have ongoing coordination with GMS even as we're sitting here. That's due in their hands next Thursday. Next, work was done on the bridges of the demo and board replacement. Contractors did not send an invoice to us. I'll check with them. The sixth item was we had pond repairs that were just recently completed and we were able to certify this back to SWFWMD as designed and permitted. We haven't received any feedback from them. I just had an open item. We were asked to look into possibly doing some stabilization along the shoreline, and recommend quantity, we will check with the supplier. Right now, it's about \$75 to \$100 a foot. That is all that I have.

Mr. Plummer: Any questions for Alan? Hearing none.

C. Lake Ashton Community Director

I. Consideration of Quotes to Repair Olsen Road Fencing *(to be provided under separate cover)*

Mr. Plummer: Next item on the agenda is the Community Director.

Ms. Wells: I included the community director report if anyone has any questions on that. I just wanted to mention we did do a TECO energy audit on May 31st and we have received the report back, so Matt and I are looking through that to see what savings we can give to the District for that. Another follow-up item from last meeting, there was a resident that made a statement about a failed fence near Litchfield Loop and some cows getting in, and the Board had asked me to see what I could do in regards to that. We did put in a code violation to the city of Lake Wales. They informed us that it's in Polk. It actually has a Winter Haven address. We've gone to Polk County code enforcement for that. They have come out and looked at the area. Matt and I did go out and look too. It looks like there was some temporary repairs done to the barbed wire to where the cow probably was coming through and it looks like it's secure at this time. The resident also informed us that they have not seen any activities since then. I'm hoping that that has resolved itself, but we will keep an eye on that area. Were there any other questions or any questions at all on the community director's report? Let's move to the project tracking list. The enclosure of the activities desk is going well. We had to do a revision to the permit with the city of Lake Wales to cut out the windows in the foyer area. There turned out to be some concrete behind those walls, so they had their engineer put together a plan for that and they have submitted that to city of Lake Wales and we're waiting for them to improve the modification. The contractor has said that they've never turned down an engineer's recommendation. Alan is looking at me crazy. Hopefully, they've never turned down an engineer's recommendation and so he doesn't anticipate any failure on that.

Ms. Landgrebe: Christine, I'm sorry. Do we know when the city is going to be in contact?

Ms. Burns: I spoke to them on Thursday and they said they're just processing. It should be a week. I told Don, the contractor, that I'd just keep following up with them. I've become best friends with Veronica down at the permitting office. She's been very easy to work with so hoping that we can get that done this week. The next item is the pressure washing and painting of the Thompson Nursery road caps. That is completed. Just to give

a follow-up on that, they pressure washed all the caps. There was a bit of a time break in-between pressure washing and painting. When they came out, the painter evaluated it, he determined that it didn't need to pressure washed again that he was going to clean the caps as he painted them. I know Debby was one and I think Bob as well, witnessed them with a wire brush, brushing off the caps as they were painting them. We had our landscapers remove the vines as well, again, because they had grown back up. But Matt and I did also go out and take a look at that area. It appears that everything looks great. As always, Jimmy has worked with us for a very long time so if there's any issues whatsoever, he will take care of them. The next thing is the speed limit sign replacement. That was actually replaced on Friday by Extreme Graphics. We're just waiting on the payment from insurance for that. We are working with Progressive Insurance on that one. I believe that's all I had on the project checklist. If anyone has any questions on that. Do you want me to move on to the fencing repairs? I submitted a memo to Board members yesterday. I apologize for the lateness of it, I was hoping that we would get that second quote in. We did reach out to three contractors. One of the contractors advised us that they can't get the green chain link fence so they did not want to quote. One quote you do have, and then the third contractor, the earliest they could get out to look at the project was Thursday and they were going to try to get us a quote by Friday. But we're a little short-staffed and that person was doing someone else's job. I have not received a quote yet, but we are anticipating receiving a quote from that third contractor. But I figured we go ahead and just look at what we have now since there are some areas of the fence that's completely knocked down. We spoke about it briefly at the Supervisor's meeting last month, just informed you guys that we were going to go get a quote out for it. One of the things that's occurred according to the homeowner in that area is that he's witnessed some younger adults climbing the fence to come and fish in a nearby pond. So we think that that may have contributed to some of the failure of the fence in that particular area. One of the ideas that was thrown out were to install angled bars at the top of the fence and do strips of barbed wire. That is an option if you guys want to go in that direction. That's what was quoted, I had him quote it separately on the quote so you'll see the fencing repairs on the quote, the last page. There are some pictures here, so you can see some of the damage as well as a map of the location where it is. Pond 16 on the golf

course, it is the fence that you see right there, the green chain-link fence that runs along Olson Road near Turnberry Lane. On the RS quote on the right-hand side, he included the price for the barbed wire and the angle bars. The \$7,776, you minus the amount for the barbed wire. That is the amount just to repair the fence as it stands.

Ms. Landgrebe: The 77 does not include the fence?

Ms. Wells: It does.

Mr. Realmuto: Just to be clear, how much would it be without the barbed wire?

Ms. Wells: It'd be \$1,776.

Mr. Realmuto: The area that would be barbed wired with the quote covers as the area in red on this map?

Ms. Wells: Yes. Does anyone have any feedback?

Mr. Plummer: The red area is generally where they've seen the scaling of the fence going to damage to the fence in that area. Once it's behind the houses, they don't seem to have that problem.

Ms. Landgrebe: Yeah, because they've been climbing over, they've actually broken some of the joints, the poles as well. It's not just the fence.

Mr. Plummer: Exactly.

Ms. Landgrebe: But you can also see on the photographs on Page 3, somehow where that fence and that pole connects, it needs help. The bar's just leaning up against the fence so it needs another joint there.

Ms. Wells: It's all contributed to the part where it's failed. The part where it's fallen over has affected areas along the way according to the contractor that we did a site visit with.

Mr. Realmuto: So for the \$1,776, that would cover fixing all of the areas for repair, everything that's in these pictures?

Ms. Wells: Yes.

Mr. Realmuto: I have a question for the attorney with regard to the barbed wire. Are there any liability issues that we should be concerned about, should we choose that path?

Ms. Trucco: We do have a duty to warn against dangerous areas of our property. If we did the barbed wire, we might consider reaching out to our insurance carrier and just

notifying them this is where we're going with and ask if they have any recommendations with respect to a warning sign. So we could put a sign warning. You probably want to run it past the carrier.

Ms. Wells: It was more of an economical way, I am assuming to get to the point of someone not being able to climb the fence. There are cast aluminum fencing that we can get there. But it's rather expensive, about \$36,000 for that area to install.

Mr. Realmuto: Some of them like a horse fence or cattle fence that I suspect would be even more economically viable. Not cause any real harm, and also it makes them fall from climbing. Clearly, the fence needs to be repaired. I'd like to suggest that going forward and I don't see any mobilization charge here. I would suggest that you certainly should go ahead and repair the fence. Sounds like for an amount not to exceed \$1,800.

Ms. Landgrebe: So you are proposing no barbed wire.

Mr. Realmuto: No barbed wire, at least for now. I think we need to consider other options. You mentioned cast aluminum, which is I'm not sure it would help and it is a very expensive option, an electric fence might be another option that we should consider if repairing the fence doesn't. Perhaps adding some signage to it about trespassing because it doesn't sound like it is intentional vandalism, just youth.

Ms. Burns: There's a no trespassing sign there.

Mr. Realmuto: I don't know whatever else we can do. We have other options to pursue if that doesn't work.

Mr. Plummer: But let's put a do not exceed.

Mr. Realmuto: I thought I said not to exceed \$1,800.

Mr. Howison: He did, so I'll second.

On MOTION by Mr. Realmuto, seconded by Mr. Howison, with Mr. Realmuto, Mr. Howison, Mr. Plummer, Mr. Costello in favor and Ms. Landgrebe opposed, Repairing the Fence on Olsen Road with a Not-To-Exceed Amount of \$1,800, was approved 4-1.

Ms. Landgrebe: I would like to suggest that recommend this motion to include barbed wire.

Mr. Realmuto: I think that's a different motion that would have to be for the \$7,800.

Mr. Howison: My concern for that would be that we really do need to talk to our insurer before we do that. I think given that they've quoted these as separate line items that \$6,000 for barbed wire would be an add-on, and probably would cost us much more than that.

Mr. Plummer: If we needed to come back and put that on it could be added at a later date if we're still having the same issues.

Mr. Howison: Along those lines. If I can just jump in. Does security ever patrol over there or do we have a way with that resident or residents that have noted these young adults so that they call our security and or have we involved law enforcement at all?

Mr. Plummer: Security makes the pass on the golf cart later in the day. That would be the only time, they don't patrol on Olsen Road at all.

Mr. Howison: Have calls come in to our security on this?

Ms. Wells: The resident informed me that they called Lake Wales Police Department, but by the time they got out there, they were gone.

Ms. Trucco: I would just recommend if any audience members or Board members see something like that happening, take pictures of it and send it to Jill or Christine so that we can try to identify them.

Mr. Realmuto: Can we add patrolling that area by our security cart to their regular schedule and have them do that several times a day? They might not be there when people are climbing the fence, but you could at least get notified on it sooner.

Mr. Plummer: Major problem with that is you can control it from the golf cart part of the way down, but not all the way down and you get on Olsen Road and you've got to go a significant way out the front gate and down the road and then up and back. There's no way to get in from the other end. It would be a significant issue for them to try to do that.

Ms. Wells: I didn't have anything else unless there are some questions.

Mr. Plummer: Anybody have anything else for Christine? Thank you, Christine, for that information.

D. Operations Manager

Mr. Plummer: Next on the agenda is the operations manager, Matt.

Mr. Fisher: Included in the agenda packet is my report. The first item is aquatic maintenance. I do have an update on carp installation. I spoke with Archie from Applied Aquatic. He notified me that the carp was ordered. I spoke with him this morning. They're still on order. That's just the way things are. So as soon as I get an update on when they'll be here on site, I will definitely let you all know. Next is the eyesore update. This is the area along the golf course, East of the club house. Applied Aquatic is continuing to treat this area, the vegetation growth. Yellowstone is making their way further into the area with their mowers. I believe we're going to set a meeting up with Yellowstone and Applied Aquatic maybe in a month or so to look at the stumps that need to be removed, and larger pieces of sticks, and to go forward with getting this area mowed on a continual basis as Yellowstone stated that they would. I'll keep the Board updated on that. The pet play park, we had Yellowstone install grass seeds. Bermuda grass seeds to half of the play park. Staff went out and installed a temporary barrier to keep pets off the side that was seeded. We'll see how that goes. I believe there's another week or so. He recommended 3-4 weeks to let the seed root grow. We'll meet with Dana this week and see where we're at with that. Facility maintenance and field services updates, GMS was able to pressure-wash and seal all the bridges except 4. That being 12, 11 and 8 and 9. I contacted the golf course, they gave me dates of closure, July 18th to 23rd. I communicated with Clayton, the Field Service Manager, over this project and he said that'd be awesome. They can complete the ceiling and pressure washing on those dates and then the project will be completed. I will update more when they'll be out between those dates and get this project wrapped up. I took a couple of before and after pictures so that you could see the difference. I've gotten many compliments about how the bridges look fantastic. Also I included one picture of two boards that were replaced by SNS. I drove around and looked at all the replacement boards. They did a great job. I had a list of other general maintenance and things that staff had completed, if the Board had any questions on those items.

Mr. Howison: I want to add just for the Board's information that we have quite a bit of sealer left, we have an opportunity. It could be returned. I don't believe we'll ever get it

for less. If we're able to store it, I have a sense, these bridges are really taking a lot of that sealer and water is beading on the bridges, but I have a sense that we probably won't need to pressure wash again, but we'll need to go back at some point in the future and reseal. My recommendation would be to not return at least all of what we have and to have Matt make that estimation of how much we need and let's hold onto it. If the Board, at your pleasure, you think we should return some we can. If not, we'll just hold onto it and store it.

Mr. Fisher: Absolutely, you're right. They still have four bridges yet to seal, on one of which is about 5,000 square foot. I'll have to revisit once they're done and see what we have left and where we can store the remaining gallons of sealer. Everything's going up in price and just from when we looked at it, and when we ordered it, it went up \$20. It's held price since we ordered it. But who knows what's happening? But like I said, let me see how much is left when they complete the sealing of the bridges that are left and make that determination.

Mr. Costello: Do we have a place to store it?

Mr. Fisher: There's things in the back of the bowling alley that had some plastic shelving. It hasn't been used in years. I think we can stack them in that area. Like I said, I got to see what's left, but my first thought is the back of the bowling alley where there's some shelving that's not being used.

Mr. Realmuto: I'm all in favor of holding onto it given the inflation rates. The only concerns are storage, and that it needs to be protected from the sun and not become an eyesore.

Mr. Fisher: Absolutely.

Mr. Realmuto: I do have a question though. It's about the coverage rates. Presumably, we went by the coverage rates that are recommended in the instructions when we ordered that amount and I realize there are still four bridges left to be done, one of which is pretty large. But as you've anticipated, we're likely to have dealt with a lot of extra. My question is, were they applied at the recommended coverage rates? I mean, that's what we paid for, right? For it all to be applied, in the quote, should it be applied according to those coverage rates?

Mr. Fisher: I looked up on the manufacturers' spec sheet and the coverage rate is, apply a thin coat. Well, to dive deeper, one gallon should cover at max 300 square feet. I can go out when they're applying it. But it says, spray it on a thin coat. They don't recommend heavily over spraying, or over saturating the boards.

Mr. Realmuto: I guess my question is, what was the coverage rate it was applied at? How many gallons did we apply into what square footage?

Mr. Howison: So you said one gallon, 300 square feet.

Mr. Realmuto: Do you have the square footage for the bridges?

Mr. Howison: A little over eighteen thousand four hundred. If you do the math.

Mr. Realmuto: Don't need to do it here. I'm just saying.

Ms. Landgrebe: I have a question for you. How often now with the bridges being sealed, will you be checking to see when they need to be resealed? This was the first time. I suspect it's going to leak again, sooner than later.

Mr. Fisher: The gentleman I spoke to from the sealer manufacturer recommended reapplying a coat in eight months.

Ms. Landgrebe: How often are you going to check?

Mr. Fisher: The other technique he mentioned was to take a cup of water, as Lloyd alluded to, make sure it's beading. Not beating, the water's penetrating the wood.

Ms. Landgrebe: How often are you going to check?

Mr. Howison: I talked about this before. Our idea was that we would take a look about every month.

Mr. Fisher: Okay. Every month.

Ms. Landgrebe: Put that on your list.

Mr. Fisher: Absolutely.

Ms. Landgrebe: We'll hear an update next month.

Mr. Plummer: Okay. Any other questions for Matt? Thank you, Matt, appreciate it.

Ms. Landgrebe: I do have a question. I'm not sure if it's for Matt or Christine. The parking lot out here and the trees and stuff. Were we going to discuss that this month?

Mr. Fisher: Yes. Actually, Christina and I deferred that one month to the next meeting.

E. District Manager's Report

Mr. Plummer: Next item on the agenda is the District managers report.

Ms. Burns: Nothing specific to report. We'll get working on those notices to residents. That will go out probably between now and the next meeting. If anybody has any questions, I'd be happy to answer them.

Mr. Realmuto: Just one, it's not really a question, but clearly, we made some significant changes with the restaurant. I believe, as I've alluded, the budget needs to be updated to take that into account. I'd like to ask if someone from your office can do that as early as possible and provide that to me prior to going out in the next agenda packet. So that I have a chance to review it and that we can bring that forward to the Board. The Board should be aware of it.

Ms. Burns: I'd be happy to send it out. There was no intention to add it to the next agenda until the adoption in August.

Mr. Realmuto: I wasn't asking you to add it to the agenda necessarily. I don't know until I see it. I want to see how changing figures, updated figures and where it leaves us.

EIGHTH ORDER OF BUSINESS

Financial Report

- A. Combined Balance Sheet**
- B. Capital Projects Reserve Fund**
- C. Statement of Revenues, Expenditures, and Changes in Fund Balance**
- D. Approval of Check Run Summary**

Mr. Plummer: Next item is financial reports. Are there any questions? If not, motion to approve and check rough summary.

Mr. Realmuto: Christine, I don't remember if this check runs summary included the May invoice we just received from the restaurant, if it does not then I'm not concerned. I guess I'd make a motion to approve the check run summary.

On MOTION by Mr. Realmuto, seconded by Ms. Landgrebe, with all in favor, the Check Run Summary, was approved.

NINTH ORDER OF BUSINESS

Public Comments

Mr. Plummer: Next item is public comments.

Resident Iris Realmuto (Lot 1031): The new restaurant committee that's being presented, talked about having members on it that have restaurant experience. I'd like to suggest that also a resident who regularly eats at the restaurant be included in the committee, as well as someone who used to go to the restaurant and then stopped to get their opinion of what is causing them to stop to have that kind of background as well.

Mr. Plummer: Thank you. Anybody else?

Resident David Price (4420 Ventana Lane): I was sitting at home watching the Zoom. The only complaint I had of the Zoom was some people were off the microphone. Debby. Because the guy with the red face up there, he is very good, and Mike, and it's up. Lloyd, I didn't hear him, but I think what the ladies over here on the side are, occasionally turned the other way, and you cannot hear it. I think if everybody would follow Steve's case, it would work out great.

Ms. Landgrebe: Thank you, David.

Mr. Realmuto: Thanks for that live demonstration.

Mr. Howison: Some of us like to hear ourselves talk more than others.

TENTH ORDER OF BUSINESS

Supervisor Requests / Supervisor Open Discussion

Mr. Plummer: Seeing no other public comments, Supervisors request or open discussion?

Ms. Burns: Let's just check out the Zoom really quick. Any public comments on the Zoom line? If you have any, use Zoom raising hand feature to be called on.

Mr. Plummer: Thank you.

Ms. Landgrebe: I do have a question. Well, let me just say it. I was listening to CDD2s meeting on Zoom the other day, and they were discussing the Joint Amenity policy update, which we haven't really had an update. I don't know if there is one, but I think they had suggested maybe a combined workshop. I wanted to see is that something we want to entertain to discuss the policy to help move it forward, or what do we do here?

Mr. Plummer: I was not at the meeting. Did you discuss a combined workshop, or just a workshop for the LA2?

Mr. Realmuto: I can provide a very brief update since Friday. That is that the Joint Amenity Policy Committee has taken the feedback and needs to meet about it. It's a

challenge scheduling meetings that the four of us can attend with staff and Supervisor schedules. But that's where we are at now. We have some plans for basic staff to work on that offline, both updating the draft and providing written responses to both the questions we received from you and Bob Zelazny. We're going to work on that. That's going to take some time. I'm not sure that's going to happen in time for the July meeting, given just the difficulty we've got scheduling the meetings. It's probably more realistic to happen at an August meeting, especially if you wanted it provided in advance, just being realistic. I sense the desire for Supervisors to be able to discuss it amongst themselves prior to coming to a joint meeting. I think there's value in that, I think we should plan to do the same. Again, we'll make the written responses as soon as we can. But again, I wouldn't expect to see that in time for a July meeting, necessarily. We're working with staff and then my counterpart on the other side to get that schedule to do the work.

Ms. Landgrebe: The August meeting, isn't that the budget?

Mr. Plummer: The August regular meeting, yes. But I'm a little confused. We were talking about the joint meeting, and then we were talking about regular meetings. Are we talking about not having it for the joint meeting in July that we want to move back to August?

Mr. Realmuto: If the purpose of the joint meeting is focused on the Joint Amenity Policy, I think moving it would be wise.

Mr. Plummer: I don't think that would put it right in front of me.

Ms. Landgrebe: I just don't want to interfere with the budget.

Mr. Howison: It would be August 22nd, I think.

Ms. Burns: It's after the Lake Ashton 2, so it would be the 19th.

Mr. Plummer: It would be after the August 19th Lake Ashton 2 meeting is when the joint meeting would be. Is that what we're looking at, Jim?

Mr. Realmuto: I'll just point out that meeting also follows our meeting. That would be a good time for it.

Mr. Plummer: Should we get correspondence about changing at the joint meeting?

Ms. Landgrebe: We're not doing a joint meeting in July?

Mr. Plummer: That's the way I understand it. We're going to move the July joint meeting from the 17th of July to the 19th of August.

Ms. Burns: Everyone's in agreement? I will just note that we will change that, we will re-send the updates, will update the website, and then will advertise for August.

Mr. Plummer: I know that was getting confused when we were talking about different meetings or whatever. Our budget approval meeting is in the August meeting, which is the 15th. That is the final budget approval. Any other Supervisors?

Mr. Howison: Yeah. I do. I hate to open another can of worms, but I just got to thinking about things. Back to the restaurant. If we're going to have potentially special events, or Steve suggested maybe have music on weekends or something. Do we own our liquor? Are we better served to keep that?

Mr. Plummer: Actually, we do not have a liquor license.

Ms. Burns: If there was no liquor license on the building, the events would be BYOB. If it was a caterer, it would be under their liquor license that they would be.

Mr. Plummer: If it's a caterer, they can still have a liquor license.


Ms. Landgrebe: Well, maybe the caterer might not.

Mr. Plummer: Most of the caterers do.

ELEVENTH ORDER OF BUSINESS

Adjournment

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


Secretary / Assistant Secretary


Chairman / Vice Chairman