

**MINUTES OF MEETING
PALM GLADES
COMMUNITY DEVELOPMENT DISTRICT**

The recessed meeting of June 12, 2018 of the Board of Supervisors of the Palm Glades Community Development District was reconvened on Tuesday, June 19, 2018 at 6:30 p.m. at the Silver Palms by Lennar Clubhouse, 23770 SW 115th Avenue, Miami, Florida.

Present and constituting a quorum were:

Barbara Kraus	Chairman
Mauricio Pelaez	Vice Chairman
Jesus (Jay) Vazquez	Assistant Secretary
Edwin Lugo	Assistant Secretary

Also present were:

Juliana Duque	District Manager
Michael Pawelczyk	District Counsel
Luis Hernandez	Governmental Management Services
Yadira Hernandez	HOA/Clubhouse Property Manager
Nick Krittel	KW Property Management
Kevin McIntyre	Delta Five Security
Melinda Griffin	BrightView
Nicolas Quiroz	BrightView
Jenna Crawford	BrightView
George Ferre	BrightView

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Duque called the meeting to order at 6:35 p.m., called the roll and the Pledge of Allegiance was recited by all who attended the meeting.

On MOTION by Ms. Kraus, seconded by Mr. Lugo, with all in favor, reconvening the meeting from June 12, 2018, was approved.

- **Authorization or Approvals Requiring Board Action for Items Discussed During Workshop** (*This item was taken out of order*)

Ms. Duque: Coming back to our regular meeting, the first item is the BrightView proposal, in the amount of \$219,473.81, with includes irrigation repairs of \$7,900. No action was taken by the Board. The second item is the direction of KW to work on implementing an access control system for the clubhouse. They will revise the contract presented today, to include \$18,000 for management fees, for a total contract amount of \$170,755. That will be brought back to the Board. Another item is to revise the existing contract of June 1. The amount presented today, will be the same amount charged to the District and we will be working with a new agreement and cancelling the existing agreement, per the Board's direction.

Mr. Pawelczyk: Right, but none of that will take place until you receive the agreement. We are not approving it today.

Ms. Duque: Correct.

Mr. Hernandez: I want the record to reflect that the expenditure will not exceed \$170,755. The contract will be coming back at another time, but at least the expenditure will not exceed that amount.

Ms. Duque: As mentioned during the workshop section, the Supervisors would like to see a physical separation between the CDD and HOA. The next item is the proposal from Christmas Designers, in the amount of \$3,132. A motion to approve the proposal is requested, as well as the appointment of a Supervisor to work on this project with me and the Clubhouse Director.

Mr. Vazquez: I volunteer.

Mr. Hernandez: So Jay is appointed.

Ms. Duque: Is this during the daytime?

Mr. Hernandez: We can make arrangements for that.

Mr. Vazquez: I can only be here by 6:15 p.m.

Ms. Duque: I worked with Barbara in the past for the entrance work.

Mr. Hernandez: She already has the knowledge.

Ms. Kraus: I can do it during the day or she can come over to the house.

Mr. Hernandez: So if the Board is okay, the appointed Supervisor will be Barbara.

On MOTION by Mr. Pelaez, seconded by Mr. Vazquez, with all in favor, the proposal from Christmas Designers, in the amount of \$3,132, and the appointment of Barbara Kraus to work with Mr. Hernandez and the Clubhouse Director, was approved.

Ms. Duque: The next motion is to proceed with the proposal from Little Swimmers to provide swimming lessons at the clubhouse.

On MOTION by Mr. Vazquez, seconded by Ms. Kraus, with all in favor, the proposal from Little Swimmers to provide swimming lessons at the clubhouse, was approved.

Ms. Duque: The next item is the proposal presented by Tropical Plant and Pest Services, in the amount of \$36,850.

Mr. Pelaez: Is pest services going to be removed from BrightView's contract?

Mr. Hernandez: Yes. The motion would be to enter into an agreement with Tropical Plant and Pest Services. Once we have the agreement, we will be removing pest services from BrightView's contract.

On MOTION by Mr. Vazquez, seconded by Ms. Kraus, with all in favor, entering into an agreement with Tropical Plant and Pest Services, in the amount of \$36,850, and removing pest services from BrightView's contract, was approved.

Ms. Duque: At the same time, since this proposal is for pesticide and fertilization, we will amend the landscape contract with BrightView and ask for revised numbers. I believe that we are talking about a savings of \$9,545.86. I don't have anything else.

SECOND ORDER OF BUSINESS

Discussion on Proposed Fiscal Year 2019 Budget

Ms. Duque: The budget was approved at the recessed meeting and a date was scheduled for the public hearing, which was August 14, 2018 at 6:30 p.m. at this location. That was adopted through Resolution 2018-06. If no one has any comments regarding the budget, we will proceed to the next item.

THIRD ORDER OF BUSINESS

Consideration of Resolution #2018-07 Providing District Manager with Discretionary Spending Authority under Limited Conditions as Specified on Behalf of the District

Ms. Duque: This resolution provides the District manager with discretionary spending authority, to enter into certain agreements within vendors, consultants or contractors. This expenditure will not exceed an amount established by the Board on an annual basis. At this time, it would be prudent for the Supervisors to provide direction on the threshold amount.

Mr. Pelaez: Can you give an explanation, just to understand what we are doing?

Ms. Duque: Yes. During our last meeting, we mentioned that we can sometimes encounter emergency items. Let's say that the air conditioning unit is broken and we need to replace it or perform emergency work, instead of waiting until the next meeting to receive direction from the Board on how to proceed, we have this discretionary amount. Michael drafted the resolution and I don't know if he wants to provide any other comments. It establishes certain parameters that the District manager needs to follow; for example, the term of the agreement cannot exceed one year, or certain approvals need to be made by email or telephone or any type of communication with the Board. Once again, this is being used only for emergency and urgent items that we need to proceed with, instead of waiting for the next meeting. Sometimes there are older items that are not expensive that need immediate attention. Let's say that we only have one treadmill at the gym and that treadmill is broken. To fix it, we are talking about \$400, and we need to have that discretionary amount and move forward with the repairs, if that's the case.

Mr. Hernandez: Just to give an example, the splash pad pump died and it costs \$2,000 to fix it. It's already a work in progress. We want a discretionary amount to be assigned to have the ability to perform these tasks. Whenever we receive an invoice, it will come back to the Board to ratify the expenditure. We are not trying to get away from it. We are trying to have the ability to incur an expense, without the necessity for a meeting. The procurement that exists for a governmental entity, is that currently the Board of Supervisors can authorize an expenditure. This resolution will give the flexibility to management.

Mr. Vazquez: What is the amount right now?

Mr. Hernandez: It wasn't discussed.

Mr. Vazquez: What do other communities approve?

Mr. Hernandez: Somewhere between \$3,000 to \$4,000, if it is higher than that, GMS doesn't mind taking the steps, especially if there is a matter of concern.

Mr. Pawelczyk: You can always reduce the amount or increase it, depending on the situation. I think Luis' recommendation is to set a number that's reasonable. The reason most of us like that, is so you don't need to meet to approve a \$3,000 agreement. You don't want to have to schedule a special meeting to approve this, as the goal is to meet once every other month. You don't have to meet in between months if you don't want to. It's a good exercise that gives the District manager and the club manager authority to repair an air conditioner that stops working the day before Memorial Day weekend.

Mr. Pelaez: Do you need a motion?

Mr. Pawelczyk: You can set an amount and make a motion to adopt resolution 2018-07, setting an annual service provider in Section A.

Ms. Kraus: I suggest \$4,000.

Mr. Vazquez: We were thinking about \$3,500.

On MOTION by Mr. Vazquez, seconded by Mr. Pelaez, with all in favor, Resolution #2018-07 Providing the District Manager with Discretionary Spending Authority of \$3,500, under Limited Conditions as Specified on Behalf of the District, was adopted.

FOURTH ORDER OF BUSINESS Consideration of Landscape Services Proposals

- A. Tony's Nursery & Garden Svc. Corp**
- B. Turf Management**

Ms. Duque: You advised at our last meeting, that we were having issues with BrightView. The direction from the Board of Supervisors was to terminate their landscape maintenance agreement.

Mr. Hernandez: For the clubhouse.

Ms. Duque: Correct. We provided you with a termination letter to BrightView for the clubhouse. At the same time, I contacted seven different companies. Some of those companies was provided by one of the Supervisors, but I only received two proposals. I received a third proposal, but it was sent to my attention when the documents became public documents, and I don't think it's a fair process with the other two companies. We will keep their proposal on file, if there is a need for CDD and HOA landscaping services. We received proposals from Tony's Nursery & Garden and Turf Management. The services requested are the same for both, meaning the cuts for the year is 32. I also requested fertilization and fungicide control, weed killer and wet checks. I'm referring to the weeds in the pool and outside pavers. Tony's Nursery presented a proposal for \$20,200.40 annually, with a one-time charge of \$5,200, which equates to a monthly payment of \$2,016.67. For the first month, we will be paying \$7,216.67. Tony's proposal includes fertilization four times per year, fungicide four times per year and monthly wet check. Major repairs are not included, such as a broken pipe; although, a broken head is part of the contract. The contract from Turf Management is for \$34,000, annually, which in comparison, is \$10,000 more than Tony's. They did not include fertilization, fungicide control or irrigation wet checks, which are additional. The monthly charge from Turf Management is \$3,744.58.

Mr. Pelaez: Didn't the new CDD landscaping company include fertilization?

Mr. Hernandez: That is a good point. I suggest selecting the company and removing the fertilization cost, and we will work with the CDD landscaper to include fertilizing at the club.

Ms. Duque: It would be up to the Supervisors to let me know how to proceed.

Mr. Pelaez: Would these people take effect as of July 1st?

Ms. Duque: Correct.

Mr. Lugo: Do you use Tony's elsewhere?

Mr. Hernandez: Yes. We use them for Lakes by the Bay and Bayshore.

Ms. Duque: We use them in South Kendall too.

Mr. Vazquez: That is a great price.

Mr. Hernandez: Tony's serviced South Kendall for eight years.

Mr. Pawelczyk: They just service the Bayshore clubhouse?

Mr. Hernandez: They just hired them a month and a half ago. They were doing the horseshoe of the community for the last year and the club was maintained by someone else. Two months ago, the Board canceled the other company and hired them because of their good work.

Ms. Duque: In our budget, we budgeted \$30,000 for landscaping.

Mr. Hernandez: We have already taken similar steps in other Districts. It's true that you are moving a line item that is going to be spent more, but overall, you are going to be reducing this item. You will be seeing some savings.

Mr. Lugo: Those were the questions that I was asking BrightView.

On MOTION by Mr. Pelaez, seconded by Ms. Kraus, with all in favor, the proposal from Tony's Nursery to provide landscape services at the Silver Palms Clubhouse, in the amount of \$24,200.04, was approved.

Mr. Hernandez: We will remove the portion that we just discussed.

Mr. Pawelczyk: We will prepare a form of agreement for Tony's and wait for a revised proposal from management for removal of the fertilization.

Ms. Duque: I would like to remind the Supervisors that our first invoice is not going to be \$2,000. It's going to be \$7,000.

Mr. Pelaez: Why?

Ms. Duque: If you look at the proposal that they provided to us, the last page shows \$5,200. When Tony visited the property, he was in shock. He was very clear that the work that he needed to do to keep it to the standards, was not going to be the same as the monthly maintenance.

Mr. Hernandez: Part of the concern is that some of the mulch will have to be removed, to remove the weeds, and then re-applied. When I was walking with Tony through the facility he said, "I can bring as many people as you want me to, but it's still going to look bad".

Ms. Duque: Perfect.

Segment II: Workshop Section:

(The Board had a workshop meeting at this time to discuss the following items.)

≈Presentation from KW as it refers to Management of the Clubhouse

≈Discussion on Status of Clubhouse Projects and Workshop Items

Segment III:

FIFTH ORDER OF BUSINESS

**Authorization or Approvals
Requiring Board Action for Items
Discussed During Workshop**

This item was discussed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Pawelczyk: I will be quick. The Club Plan that you approved at a recent meeting was recorded in the public record. We sent a deed for the clubhouse to management. We prepared all of the necessary agreements. We prepared the Basketball

Team Program Agreement and distributed it on June 1st. I guess that is in the works by management.

Ms. Duque: Yes.

Mr. Pawelczyk: Otherwise, I don't have anything else to report. If you have any questions regarding Form 1, please let me know. They are due on July 1 to the Supervisor of Elections. There's an option to email them. Those instructions should've been with the package you received in the mail. You can drop it, mail or email it to them. If you are going to qualify, you will have to fill out Form 1 anyways, so take the one you have with you. That's all I have.

Ms. Duque: Thank you Michael.

B. Engineer

Ms. Duque: There is nothing to report at this time.

C. Field Manager - Ratification of Proposal for Tree Care from BrightView

Ms. Duque: This was an item that was discussed at the last meeting, regarding a concern that I had with the bismarckia palms at SW 112th Avenue. One palm was leaning. Comparing to what was charged to the District and other Districts, that was a fair amount, so we moved forward with the removal. At this point, I need for the Board to ratify the proposal. Once again, the work has already been performed for \$1,500.

On MOTION by Mr. Pelaez, seconded by Mr. Lugo, with all in favor, the proposal from BrightView for the removal of Bismarckia Palms at SW 112th Avenue, in the amount of \$1,500, was ratified.

Ms. Duque: I received a couple of emails from different homeowners, which I provided to the Board. They were complaining about rats within the community. Generally, it's not something that the CDD handles. We obtained a proposal for one of our Districts, Lakes by the Bay, which was \$25,000 a year, for someone to set traps. Keep

in mind that if we provide a specific service, we need to provide that service for the entire community, nor for any specific person or area within the District.

Mr. Pawelczyk: Where there is water, there are always rats. You may have no reason for the rats to go to your house. The cost to have someone to do this is crazy. For \$20,000, you can buy 10,000 traps at Home Depot and set them yourself. They love peanut butter, so put peanut butter on a trap and throw it in the garbage. That's what I had to do, when rats decided to make a home under my wood deck. The house and everything around the house was pristine, but rats will go where there's a food source and multiply very quickly. It wasn't just me. My neighbor also had rats. I live on a canal and there's a seawall, so where there's water, there are rats. So, we all got together and got a bunch of traps and within a month, the rats were gone. If you set traps, eventually they will go. It's really up to you on how you want to deal with it. What I said is more of a Homeowners Association function to deal with, because it's about educating the public. There's nothing here but farmland. The rats were here before the houses were built. Usually the HOA will put something out or make traps available for residents. It's your decision, but it's very expensive. What I've seen in these contracts is you don't know if the guy comes out and changes the traps or whether he found anything in the traps. You don't get a report.

Ms. Kraus: If we start messing with SW 112th Avenue, they are all going to come out.

Mr. Pawelczyk: As soon as you stir up dirt and equipment, the rats will move to another location. This is not legal advice, but don't get the poisonous traps, because they eat the poison, get thirsty and have to find water. They find the water inside of your walls where there is A/C and then they die in there and you can't get them out.

Ms. Duque: Correct.

Mr. Pawelczyk: That's why traps are the best option. That's my experience. There is a big trap at Home Depot that you can use a number of times.

Ms. Duque: Unless I have any direction from the Board, we won't do anything. We already passed that information to the HOA. Yadira worked on some of the pool signs. We need to come back with the rules and change them. After that, we will move forward.

She has one quote of \$4,910 and another one for \$6,674, which is for all of the signs. This is more for your information and there's nothing for the Board to do at this time.

D. Manager

1) Number of Registered Voters in the District - 2,432

Mr. Hernandez: You have a letter from Miami-Dade County, stating that there are currently 2,432 registered voters in the District. The importance of this is when the District meets six years of establishment and 250 or more registered voters. At this point, the District met both requirements, and that's the reason why Supervisors are being elected through the Supervisor of Election process. This is just an announcement to fulfill requirements of the Florida Statutes.

2) Discussion of Financial Disclosure Report from the Commission on Ethics

Mr. Hernandez: Michael already discussed this. If you have any questions, let us know. For those that are going to qualify, this is the week to do so. The qualifying period started yesterday at noon and will end on Friday at noon. If you are going to qualify at the last minute, please arrive before noon, because they will close the doors, even if you are there.

Mr. Pawelczyk: Good point.

Ms. Duque: The seats up for election are Seat 2, held by Edwin Lugo and Seat 5, held by Jesus Vazquez.

Mr. Hernandez: I explained to the Supervisors earlier, that right now the District is the owner of this facility and GMS is evaluating what else is needed. One item that was mentioned last week was the condition of the pool. I already have a meeting with the current vendor to analyze what is taking place, what is missing and what needs to be done. At no cost to the District, they are going to be bringing a diver tomorrow and the day after, to try to clean out the yellow spots, so we can get through the summer. To be able to do that, we need to empty the pool. That process will be taking more than a week, and it's not wise to do it in the middle of the summer. They are going to be helping us, so that the pool is going to be in the best condition, not perfect, but the way that we want it.

At least to have something that will get us through the summer. I was informed that the splash pad did not have an annual inspection, due to a change in the code. Initially, it was not required, but now there's a requirement to inspect it on an annual basis. There was an incident that took place recently in Parkland, which that is the reason why that is being highlighted. As Mike indicated before, it doesn't matter if we have insurance, but we need to prevent anything from happening. What I requested and can be mandated from the existing vendor, is to complete that inspection. It takes two days for the full inspection to be completed. It was scheduled for next week, so the facility and splash pad will be closed for two days, possibly Tuesday or Wednesday or Wednesday and Thursday. It will be done prior to July 4.

Ms. Duque: It's scheduled for June 26 and June 27.

Mr. Vazquez: Will it be a third-party inspection?

Mr. Hernandez: No. It will be performed by the contractor that built the pool, as they have the maintenance agreement, and a third party will provide the service. Both were companies that we worked with in the past. I will meet with them to make sure that everything is tied up, as far as services. Later on, we are going to be discussing numbers. At least for right now, my biggest concern is to make sure that we have a pool that is functioning. Then we can negotiate the prices.

Mr. Vazquez: Have they identified any violations?

Mr. Hernandez: No.

Mr. Vazquez: Maybe the contractor shut it down.

Mr. Hernandez: No, we shut it down, so that they can physically inspect all of the nuts. If some are rusty, they need to be replaced. They need to be checking all of the steps. In Parkland, one of the steps had a portion coming off and no one noticed it, because you can't see it when the pool is filled with water, so they need to turn it off and clean it. As they clean it, they are inspecting all of the parts. We gave it a quick glance and did not see any major issues. I will have an answer next week. They are coming not only to look at it, but to fix whatever needs to be repaired, so when the water is turned back on, it will be the best it can be for the summer.

Mr. Vazquez: Did you look into the filtration for that splash pad?

Mr. Hernandez: There is no filtration being installed for the splash pad. They have a pump running the water directly. The manufacturer said that additional maintenance needs to be provided. I'm asking what that additional maintenance is and how we can fit it into our existing budget.

Mr. Vazquez: I'm also curious about the water quality, because my kids don't use the pool anymore. They say that the Diamond Brite is so rough that it skins their feet. It feels like sandpaper.

Mr. Hernandez: I will be here when they do the inspection and will ask that question. They told me that this is the eighth year that the Diamond Brite has been in, so it is almost at the time that it needs to be fixed. I can ask them to create a solution so that we can use it for the summer, and then after the summer, we can fix it. It's in the smaller splash pad so the cost will be minimal.

Mr. Pawelczyk: I would ask them if brushing it will help.

Mr. Hernandez: That's what I'm going to be asking them to do. We will keep you posted. The last item that I wanted to report on, is that one of the concerns was in reference to the handicapped lift. The intent was to remove it. I was told that proposals were provided to Lennar and they said not to do anything yet, but it was inspected and only parts need to be replaced. The equipment is in good condition. All I'm doing right now is getting proposals to replace some parts to get the three lifts that we have in a workable condition. One request was to purchase the covers, so that they are not damaged by the elements. More importantly, the cover prevents kids from playing with it. If someone requested it, the cover could be taken off. I'm getting a price.

Ms. Kraus: We had covers.

Mr. Pawelczyk: They wear fairly quickly.

Mr. Hernandez: People buy the cheapest one and sometimes the problem is that cheapest isn't the best. I will be getting you different rates, and based on that, the Board will be able to make a decision.

Ms. Kraus: Can we put caution tape around them, because people are using them as diving boards?

Mr. Hernandez: It currently has caution tape around them.

Ms. Kraus: All of them?

Mr. Hernandez: Yes.

Ms. Hernandez: When kids go on it, it falls in the pool.

Ms. Kraus: Is there one in the hot tub too?

Ms. Hernandez: Yes.

Ms. Duque: There are two on the big pool and one on the hot tub.

Mr. Hernandez: I'm hoping to get this resolved within the next two weeks, fixed and working.

Mr. Pelaez: Are we repairing all of them and do we need two in the big pool?

Mr. Hernandez: I asked that question and the answer was that whatever the inspector saw, was mandated for you to have. They have already seen three and whoever the inspector for this area is, will always be asking to see three lifts. Maybe the solution is to get the covers first, so you can at least cover it and prevent anyone from climbing on them.

Ms. Kraus: That's perfect.

Mr. Hernandez: That's my report.

Ms. Duque: I have two items to add, which I will have Yadira explain. A letter was sent to the homeowners stating that Palm Glades was sold and all of the prepaid assessments prior to May 16th, were transferred to the CDD.

Ms. Hernandez: We were instructed to send that letter out by Lennar, and we are working on the final collection letters to homeowners that are past due, which Lennar also asked us to mail out. We sent the letters and are supposed to be sending an email blast. I know that the CDD is going to be discussing the credits on the account. That is mostly the concern of the residents. Anything after May 16th, we are handling. Anything before, was provided at closing. Juliana advised me that you would be discussing if it is either going to be refunded through property taxes, or if checks would be cut to each homeowner. I

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was discussing with Juliana, that before I send out an email blast with this information, we could probably be a little more specific on whatever decision the Board takes about the credits. If it is going to be a check, then we can include a letter saying, *"Please provide your account information to Juliana by email, before this date"*. Include whatever details the CDD wants to include. It's probably better to know that before I send the email. I think every resident received it by email already.

Mr. Vazquez: You mentioned earlier that there's a cost associated with writing a check.

Mr. Hernandez: At this time, the amount of credits is estimated around \$21,000. It would be part of the administrative cost of the District; however, several homeowner credits were \$70 or less. One was 42 cents. I suggest setting a limit. Let's say that for anything less than \$75, a credit will be given on the tax bill, but a check will be cut for anything above \$75. The check will be cut, only if the name appearing on the account, matches the name on the property, according to the Miami-Dade County Property Appraiser. If there's a discrepancy, the District won't release the funds. The District can only pay the owner of the property, but if it doesn't match the information that Lennar has, the District needs to receive the proper information to know that we are giving it to the right party. Part of the concern is if someone has a credit of \$200, but they sold the house. It doesn't mean that he or she cannot come back and say, *"Where is my \$200?"*. I don't know what agreement was made at the time that the house was sold.

Mr. Vazquez: At that time, could those monies be put towards next year?

Mr. Hernandez: It would be a credit for the taxes. If Jay has a credit of \$72, instead of the \$2,000 that the District is charging him, the amount would be \$2,000 less \$72. That is my suggestion on how to handle the processing of any outstanding balances.

Mr. Lugo: Is there a way to see if there's an email or letter to the homeowners saying *"It's your choice. Which one do you want?"*

Mr. Hernandez: The problem that I have, is cutting a check for 45 cents is going to be extremely expensive. Even a check for \$70 is too expensive. Someone from GMS to cut a check for 45 cents, \$5 or \$70, doesn't make any sense, because of their time spent cutting

the check. The District incurs an additional cost for issuing a credit. But if the motion and direction from the Board is to credit 45 cents to the tax bill, there's nothing else that they need to do.

Mr. Vazquez: Do homeowners receive notice that the credit will be added to their taxes?

Ms. Duque: Correct.

Mr. Hernandez: The tax bill will show the reduction. When I process the Trim Notice, I leave the higher amount, so when they receive the actual tax bill, they can see that the amount has been reduced.

Mr. Pelaez: So the notice is going to say, *"If you are refunded this amount, it's a credit on your bill?"*

Mr. Hernandez: Yes.

Mr. Pelaez: If you have a credit of "x" amount above, then you will receive a refund.

Mr. Hernandez: They will receive a check. I'm not going to be wasting time doing anything else, other than cutting the check and sending it to the mailing address according to Miami-Dade County.

Ms. Hernandez: Luis, they don't have to request it to you. You just mail it.

Mr. Hernandez: I have a list of closings showing the property address and the name of the property owner. As long as the property owner matches what Miami-Dade County has, I will be cutting those checks. It's up to the Board to decide.

Mr. Lugo: I suggest that we make the threshold the equivalent of one month payment.

Mr. Hernandez: Which was?

Mr. Lugo: \$74.

Mr. Hernandez: That's more or less what I have in mind. \$74 was what I had as the monthly fee. If it's more than that, I will cut a check; if it's less, I will give them a credit.

Ms. Duque: That is the direction. Do you need a motion?

Mr. Hernandez: All I need is the direction. So we are clear, \$74 and above, a check will be cut and sent to the homeowner. Anything less will be a reduction.

Ms. Duque: The last item that I need to mention, is that now that we are starting to receive invoices from what Lennar was paying to different vendors, the CDD and the clubhouse had an agreement from a long time ago, in reference to the dumpster. Lennar represented the club and the HOA, and even though the payment was made by the club or fans were coming from the club, the dumpster was used by the HOA, the club and the CDD. I'm trying to bring this to your attention, because more or less, what we pay monthly is \$1,494.30. The way that this is being done is that 50% is being paid by the CDD, and 50% by the club. Now that the CDD is the owner of the club, we are going to be paying 100% of that invoice, but once again, the dumpster is not only being used by the CDD and the club, it's also being used by the HOA.

Mr. Vazquez: When the HOA is using it, doesn't that mean that the porter is too.

Ms. Duque: Yes. Palm fronds next to the home are being put into the dumpster. When the HOA contracted with the new porter, it's my understanding that BrightView brought in one of those trucks with a container that they were using, but that truck is not here every day. During my drive throughs, I've seen the porter picking up trash in the front, side and the back, which means that the HOA and CDD are bringing those pond fronds to the club and placing in the dumpster. My concern is the perception and how we are using those funds, because the reality is completely different. That was being done since this community was established. I will need direction on how to deal with this. If we continue doing any type of personal touches, like in CDD areas, we need to decide if the CDD and the club are responsible and how responsible the HOA is.

Mr. Pawelczyk: I don't think that the Board wants to make a decision on this until Juliana approaches the HOA and says, "*This is the situation*".

Ms. Duque: I approached the HOA already.

Mr. Pawelczyk: I think that they should contribute if they are going to use it. You don't get anything for free. I don't know what that percentage is, but I think it just needs to come to some sort of reasonable percentage and they write a check for it for the year.

Mr. Hernandez: How much is the contract for the landscape company?

Ms. Hernandez: For the porter?

Mr. Hernandez: No.

Ms. Duque: For the HOA.

Ms. Hernandez: Do you mean the full amount?

Mr. Hernandez: Yes.

Ms. Hernandez: I will let you know.

Mr. Pawelczyk: That's a good way to break down the percentage.

Mr. Hernandez: You need to see the total amount that is being paid for landscaping. We already know how much is on the CDD side. It's the same percentage. We just need to add what was being paid here, so that it correlates. Now since the club is being owned by the CDD, I estimate that it's around 80%/20% more or less. Let's confirm that. At the end of the day, that gives us the percentage of allocation, so we now know how to charge it.

Mr. Pawelczyk: That makes sense. It doesn't make sense to have two dumpsters.

Ms. Duque: Exactly.

Mr. Hernandez: When this first started, the area where the dumpster is, was too tiny.

Ms. Duque: No. The dumpster was smaller and it was changed to a larger one. After that, the area was enlarged. Instead of changing the dumpster, more pickups were added.

Mr. Lugo: Was it more expensive?

Ms. Duque: Not really.

Mr. Hernandez: When we moved to the larger one, the difference in price was almost nothing, so we kept the one that is picked up more often and, therefore, you don't have garbage sitting for a longer period of time.

Ms. Duque: So I guess the direction would be for us to talk to the HOA. We will figure out with the numbers, what makes sense, but I'm hearing that it will be more or less a wash.

Mr. Hernandez: Before making a motion, let me verify those numbers, but it's going to be somewhere around that area.

Mr. Pawelczyk: We will bring back a draft letter of agreement, so we have something that we can put into our files and they can put into theirs, as to a cost sharing arrangement.

Mr. Hernandez: Correct.

Ms. Duque: Perfect. Thank you so much. I don't have anything else to report.

SEVENTH ORDER OF BUSINESS Financials Reports

- A. Approval of Check Register**
- B. Balance and Income Statement**

Ms. Duque: Tab A is approval of the Check Register, and tab B is the Balance Sheet and Income Statement. Unless anyone has any questions, a motion to approve would be in order.

On MOTION by Ms. Kraus, seconded by Mr. Lugo, with all in favor, the Check Register, Balance Sheet and Income Statement, were approved.

EIGHTH ORDER OF BUSINESS Supervisors Requests and Audience Comments

Ms. Duque: Are there any Supervisors requests?

Mr. Lugo: On the bids, is there any requirement that we must receive two or three bids at a time?

Mr. Pawelczyk: Bids for what?

Mr. Lugo: For any work in excess of a certain dollar amount?

Mr. Pawelczyk: It depends on the threshold amount and what you are bidding for, but there's no requirement in general. I'm talking about small contracts. For landscaping, the threshold is \$195,000. If you think that contract is going to exceed \$195,000, you need to competitively bid it. That doesn't mean just proposals. You need to advertise it and get sealed bids. Districts sometimes will establish policies. I don't like those policies. The

reason is why I used to handle procurement law for the City of Ft. Lauderdale. Public procurement typically results in higher prices, in my opinion, because if you find a contractor that's doing a good job, as long as you don't think he's ripping you off and the work gets completed correctly, only one visit is needed by the club manager and District manager to verify that it was done correctly, the Board is satisfied with the work and the public is also satisfied. The lawyer never sees anything after the contract is executed. That's a contractor that I would want to do the next job, even if it costs 5% more. I don't care, because in the long run, you save the 30% of the cost that it takes to do it, but you still have to watch them, because you have certain contractors, who after a while, stop doing the work as well as they should, and you just keep approving their proposals. So, maybe you need to get extra bids on those proposals. The Board can establish that. The policy that I like is for Juliana, club management and Luis to get three bids. Sometimes they are not able to bid on small jobs. That can be an unwritten policy. I don't mind and I know that Juliana and Luis don't mind, when you say, "*Did you try to get other bids*", because most of the time, this management firm tries to get other bids. I have other management firms or club managers that say, "*No, I didn't do anything*". With all due respect to what you do, club managers don't get them when they are supposed to get bids. Most of the time it's the club managers, because they are going to want to use the same contractor without bringing them back in. Some things you don't need another bid for. I think the best thing that you can do, if you have a project you are thinking of, tell them how you want to bid. You can say, "*I want at least three bids on this, because we are going to spend \$80,000 to get at least three bids*". That is for single projects. When you have a service provider or a guy coming out every month, sometimes it's better to just solicit proposals. If you get one who is good, then you go with it. If you are happy with it, then that's great. That's like legal services. You are not going to bid legal services to get the lowest bid, because you are going to get lawyers who either, don't do Special District work or send an associate. The same with management firms. You are not going to award a management company because they were the lowest bidder. You want one that's providing the

services. I think that's what you are striving for with your landscaping. You want to see reasonable prices, but you don't want to award it based on a low bid.

Mr. Lugo: You get what you pay for.

Mr. Pawelczyk: They would fudge their numbers and stop sending people or have the right equipment. It's kind of a slippery slope, but there's no legal requirement. If there's a legal requirement for a project, we are going to let you know. If you hire an architect to design an addition to this building, you are going to have to go through a competitive solicitation process to hire them. When we do our auditing services, there's a competitive process in the Statute that we are required to go through. We will let you know. Feel free to ask.

Mr. Lugo: As long as they are happy, I'm good. I just wanted to make sure that the Board of Supervisors understand.

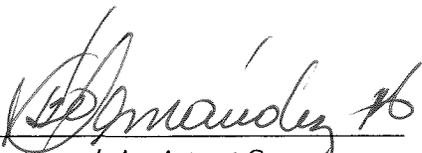
Mr. Pawelczyk: They welcome Supervisors who say, "Call this guy". I think that really helps, because it brings contractors to them that they didn't know about or did business with, because they don't advertise a \$10,000 job in the newspaper. I think they welcome that. I would've welcomed that, because somehow that's how you find your best guys. All of the guys that we have had here were found through referrals.

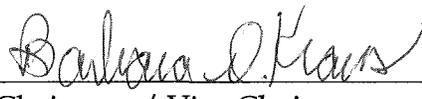
Ms. Duque: Are there any audience comments? Hearing none, a motion to adjourn would be in order.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lugo, seconded by Mr. Vazquez, with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman