

AGENDA - RECREATION DISTRICT REGULAR BOARD MEETING

March 25, 2024, at 9:00 a.m. in Card Room C

Zoom Details: <https://us02web.zoom.us/j/9687107160> Meeting ID: 968 710 7160 – Passcode: HgrdMeet1

BOARD MEMBERS	PRESENT	OTHERS	PRESENT
Chair Howard Young		GM J.B. Belknap	
Vice-Chair Peter Overs		Controller Lynn Brew	
Treasurer Jayne Schwarz		District Counsel Tom Hart	
Secretary Bill Kulkoski		Assistant GM Karon Bennett	
Assistant Sec/Treas Karen Mars		Residents	

- I. **CALL TO ORDER** – Chair Young
- II. **PLEDGE OF ALLEGIANCE** – Supervisor Mars
- III. **ROLL CALL** – Assistant GM Karon Bennett
- IV. **MINUTES** – 03.04.2024 Regular Board Meeting
- V. **DISTRICT COUNSEL’S REPORT** - Thomas Hart, Esq.
- VI. **GENERAL MANAGER’S REPORT**– GM J.B. Belknap
 - A. Update on Bond Projects
- VII. **FINANCIAL REPORT** – Controller Lynn Brew
- VIII. **COMMITTEE REPORTS & RECOMMENDATIONS**
 - A. Audit Committee – Supervisor Schwarz
 - B. Facilities & Amenities Committee – Elaine Sawyer
 - C. Finance Committee – Dennis Popp
 - Storage Containers
 - D. Golf Committee – Bruce Johnson
 - Proposed Golf Survey
 - E. Long-Range Planning Committee - Fred Gignac
 - Emergency Prep Plan
 - F. Problem-Solving Taskforce – Supervisor Kulkoski
 - G. Resident Events Committee – Gary Attalla
- II. **OLD BUSINESS**
- III. **NEW BUSINESS**
 - A. FY2023 Budget "Surplus" Allocation – Supervisor Schwarz
 - B. Seek Board Approval to Meet with Library Committee per their Charter - Supervisor Mars
 - C. 2024-2025 Board Calendar
- IV. **RESIDENT COMMENTS**
- V. **UPCOMING MEETINGS**
 - Monday, March 25, 2024 - Long-Range Planning - 1:00 PM - CR-C/Zoom
 - Monday, April 1, 2024 - Board of Supervisors - 9:00 AM—CR-C/Zoom
 - Monday, April 1, 2024 - Resident Events Committee - 1:00 PM - Activities Room A
 - Thursday, April 4, 2024 - Facilities & Amenities Committee - 1:00 PM - CR-C/Zoom
 - Monday, April 8, 2024 - Long-Range Planning - 9:00 AM - CR-C/Zoom
 - Monday, April 15, 2024 - Golf Committee - 9:00 AM - CR-C/Zoom
 - Monday, April 22, 2024 - Board of Supervisors - 9:00 AM—CR-C/Zoom
 - Monday, April 29, 2024 – Joint Board & Finance Committee - 9:00 AM - CR-C/Zoom
- VI. **ADJOURNMENT**

MINUTES - RECREATION DISTRICT REGULAR BOARD MEETING

March 25, 2024, at 9:00 a.m. in Card Room C

BOARD MEMBERS	PRESENT	OTHERS	PRESENT
Chair Howard Young	X	GM J.B. Belknap	X
Vice-Chair Peter Overs	X	Controller Lynn Brew	EXCUSED
Treasurer Jayne Schwarz	X	District Counsel Tom Hart	X
Secretary Bill Kulkoski	X	Assistant GM Karon Bennett	X
Assistant Sec/Treas Karen Mars	X	Residents	16

- I. **CALL TO ORDER** – Chair Young opened the meeting at 9:00 AM.
- II. **PLEDGE OF ALLEGIANCE** – Supervisor Mars led the Pledge of Allegiance.
- III. **ROLL CALL** – Assistant GM Karon Bennett took roll call; attendees are listed above.
- IV. **MINUTES** – The minutes from 03.04.2024 Regular Board Meeting were presented. Vice-Chair Overs mentioned that the following motion was missing and will be added as follows: *Supervisor Kulkoski moved to issue restaurant gift cards to all HGRD Board-appointed volunteers with the amount to be determined based on the 2024 budget for the event. Vice-Chair Overs seconded the motion. **The motion was approved unanimously.** Chair Young moved to approve the minutes as amended from the Regular Board meetings on 03.04.2024. Supervisor Kulkoski seconded the motion. **The motion was approved unanimously.***

*Chair Young moved that the amount of the volunteer appreciation gift cards be \$30 for all Board-approved committee volunteers and the cards be sent by US Mail. Supervisor Mars seconded the motion. **The motion was approved unanimously.** Supervisor Mars moved that GM Belknap reach out to departmental managers for additional HGRD volunteers who are not members of a Board appointed committee that they feel should be acknowledged with a gift card. Vice-Chair Overs seconded the motion. **The motion was approved unanimously.** This list will be brought forth at the April 1st Board meeting for approval.*

- V. **DISTRICT COUNSEL’S REPORT** - Thomas Hart, Esq. and Supervisor Schwarz reviewed details of a proposed resolution for the allocation of rollover funds from 2022-2023: The budget surplus from fiscal 2023 is about \$234,000. Of that, it is recommended that we put \$100,000 into the Losses Reserve. Our wind deductible is \$620,000. \$2,642 needs to be replaced in the Resident Events Committee fund that through communication error was put into income. According to policy if they allocate this to a large item for the District, it may carry over. That leaves \$130,000 that is unallocated. It is recommended that the Board hold off allocating this until the insurance reimbursements are completed and other repairs are made. We will have more than \$620,000 in place in the Losses Reserve by October 1, 2024. Supervisor Schwarz will provide all this information to Counsel Hart later so that he can place all necessary information into a resolution form.

Discussion took place on the communications from the arbitrage consultant. One possibility is to establish a rebate account to put aside any positive arbitrage that bond funds are earning. Any bond funds after the first 3 years drawing interest greater than the bond rate of interest become positive arbitrage that must be paid to the US government. We must show that we proceeded in good faith to complete the projects within the 3 year time frame. The engineer will write a report for us to present to the IRS stating that we were affected by circumstances beyond our control such as COVID-19, Hurricane Irma, and supply chain shortages and we are requesting a two year extension. We can't know what the IRS will do at the end of the fifth year, but this will be our documentation Vice Chair Overs asked what our liabilities are, Counsel Hart stated that the worst possibility is the IRS may say bonds are not tax-exempt, however the Bond Counsel knows we have a valid reason, Counsel Hart will request more details. We are showing good faith by establishing a money market account at US Bank which will pay under 2.4% interest which is the bond rate. Additionally, we established the rebate account and authorized US Bank to move money from earned and accrued interest on the construction and acquisition account into the rebate account. Third, the tax preparer has been engaged to do the overall arbitrage, the goal is to know the exact amount in early May. At that point another letter will be sent to US Bank to transfer interest earned and accrued from the construction and acquisition account into the rebate account.

Counsel Hart reported that he recently applied liens on past-due accounts.

The changes recently made to the Board schedule have been published and a copy shared with the Board.

The Board is required to take ethics training, however, there was no date on a Monday before May; the Board agreed to take the training as a group after October 15th.

Recently the legislature passed legislation that will affect the Rec District. All Special Districts within the State of Florida will now have set term limits for Board members. Starting with anyone elected next March, there will be a 12-year maximum service on the Board. Changes to the boundaries of the Recreation District must now go to the legislature. The law also says that by December 1, 2025, the Recreation District must set Goals and Objectives, establish Performance Standards, and post this information on the HGRD website. Our Strategic Plan calls out certain initiatives to be completed. It also calls out committees who are to complete those initiatives. We will need to be more proactive within our agendas and the committee's agendas to ensure that this work is completed and documented. Timelines will need to be in place and annual reviews conducted documenting what we accomplished, and what we haven't accomplished. The discussion will take place in an upcoming Long Range Planning Committee meeting. A critical look will be given to the time it takes and the resources needed to accomplish these tasks.

VI. **GENERAL MANAGER'S REPORT**— GM J.B. Belknap provided an update on Bond Projects as follows:

Clubhouse Maintenance: Cost proposals were received from Reeves Construction for converting the storage area at golf maintenance into an office/restroom and for the proposed driving range restrooms. GM Belknap will share them with the Board, and he will go back and look at some of the expenses that he found rather high. Site work estimates are pending for sewer line installation there.

Golf Cart Storage: We are exploring options for covering planned golf carts, considering Quonset huts with various roofing materials.

Sports Complex (Bocce): Irrigation adjustments were delayed due to rain. Paver resetting is planned. Canopy adjustment is under discussion. The final inspection has been received from Jim Ink and the county. The soffit was replaced in the restrooms.

Pickleball: The shade structure foundation is to be poured in May. Lighting installation and court repainting are scheduled. We are waiting for cost estimates to rehab 4 existing courts.

Pool Deck: Handrails installation pending. Lighting calculations are in progress for the Health Dept. approval to change pool hours.

Other Projects: Window replacement and restaurant divider installations pending. Propane tank installation is ongoing.

Financial Matters: Updates were provided on bond-related activities, including expenditures and insurance proceeds for hurricane damage.

Resident Larry Cummings expressed his concerns over several issues at the Sports Complex. In his opinion, the drainage issue on the bocce courts could be resolved by adding a metal roof. Dan Parker, HGRD Project Manager explained that the structure is not strong enough nor is it rated for aluminum however, he is scheduled to discuss the issue with the engineer and will keep in mind that we do not want to cause the same issue at the tennis courts by changing the structure. GM Belknap will seek advice from Stoney of Dragon Sports and Jim Ink our engineer.

Resident Deb Gariepy stated that the foul lines on the bocce courts are still marked with temporary tape, GM Belknap stated that maintenance will paint it. The area will get the additional benches they requested as the materials become available.

VII. **FINANCIAL REPORT** – Controller Lynn Brew was excused from the meeting.

VIII. **COMMITTEE REPORTS & RECOMMENDATIONS**

Audit Committee – No report.

Facilities & Amenities Committee – No report.

Finance Committee – GM Belnap stated that, as part of his project report, the Bid Oversight/Finance Committee met on Monday to review the three container proposals and will be making a recommendation to the Board. After last Monday’s meeting, Jim Ink was asked for assurances that the LDO could be modified so we could place shipping containers at the site instead of constructing a 5,000 sq. foot building. We don’t want to sign a contract with a shipping container company until we receive those assurances. We were advised that the change of plans would require a minor modification to the LDO along with updated site drawings according to Jim Ink.

Vice-Chair Overs moved to allow Jim Ink to make modifications to the LDO to incorporate the bathroom changes and the storage facilities. Supervisor Kulkoski suggested that he and Beth Brucker review the area again and come back to the Board with alternatives. The motion did not receive a second and so was not voted on or passed. It was the consensus that the Board needed more information before proceeding.

Supervisor Schwarz gave the Bid Oversight/Finance Committee’s recommendation on the storage containers. The Finance Committee supported recommendations from the management in a vote of 4/2. However, there were several issues raised by the committee:

1. After updating the building and moving the containers will the bottom line become more than \$500,000?
2. The committee believed the board needed assurances from the county that we can modify this LDO.
3. Flooding in that area is a major concern although Dan Parker advised the group that the storage containers would be off the ground as concrete “footers above ground level were to be built” and that the water from Hurricane Ian never reached that height.
4. The committee questioned:
 - a. Water intrusion.
 - b. Insurance coverage
 - c. Cost to cover the golf carts or any outstanding issues for covering golf carts
5. The committee also asked if this is a temporary structure of 10-15 years, and has anyone done a cost analysis of building a permanent structure not to exceed \$500,000?

The Finance Committee supported the management’s decisions as it followed the process. Further Board discussion took place and the group decided to hold off on this contract.

Chair Young would like to know the cost of the shade structure for the golf carts. GM Belknap added that he will reach out to Anbar they might be able to honor the quote on the containers for an extended time.

*Vice-Chair Overs moved to modify the LDO with respect to the storage containers at the maintenance facility and the modified bathroom facility at the driving range. Supervisor Mars seconded the motion. **The motion was approved unanimously.***

Golf Committee – Bruce Johnson presented a one-time survey to Golf Members, both resident and Non-resident. Chair Young suggested a few changes. The subject was tabled for approval until Monday, April 1st.

Long-Range Planning Committee – Bob Herbstritt and Bruce Johnson presented the Emergency Prep Plan. The changes will be brought to the Long Range Planning Committee and approved by the Board on April 1st.

Problem-Solving Taskforce – No report.

Resident Events Committee – Gary Attalla reported on Farmer’s Market attendance and requested participation from residents of Magnolia Landing. The committee expressed interest in organizing a corn hole tournament and are awaiting further information. Denise Fell stated that over 100 residents expressed interest in having a corn hole

tournament in the parking lot. The committee will bring this subject to the Facilities & Amenities Committee who, what, when, and where. Discussion took place on the Farmer's Market and how to bring in more business for it.

IX. **Ballroom ad hoc Committee** – Karen Mars reported that the committee is currently gathering estimates on renovation projects in the Ballroom. One estimate is \$25k for changing out the lights to LEDs which will keep the location cooler, change colors, and require much less electrical draw. The committee is awaiting the second quote. It was determined that we do not have the space for the installation of a permanent ADA lift in the storage area near the stage. The committee has researched portable ADA lifts in the range of \$15,000. Beth Brucker is reworking her drawing of the bathroom area. The stage curtain ripped and is no longer usable, therefore it will be taken down. The committee would like a larger protection screen than the current 10 foot by 10 foot. The committee is researching the pros and cons of front or rear projections. DB Sound suggested replacing some ceiling tiles with acoustical tiles rather than replacing all the tiles. The only major construction to take place over the summer of 2024 would be the installation of restrooms in the Ballroom if it was approved. The committee did not have any luck finding a sound engineer within the community, but a committee member suggested approaching someone known to have participated in several renovations of theatres in Lee County for his A/V expertise and suggestions for companies to contact. *Supervisor Mars moved to offer Mr. Cacioppo a \$500 stipend to look at our facilities and offer his thoughts and suggest companies to contact for the stage curtains, projectors, etc. Vice-Chair Overs seconded the motion and suggested that Mr. Cacioppo serve as a consultant in the future. **The motion was approved unanimously.***

X. **OLD BUSINESS** – All old business was discussed above.

XI. **NEW BUSINESS**

Library - Supervisor Mars asked for the Board's approval to meet with the Library Committee per their Charter which the Board agreed to.

2024-2025 Board Calendar – Karon Bennett presented a calendar for the Board holding the first and third Monday of each month through April 2026. Chair Young suggested that the Board consider going back to one meeting a month.

XII. **RESIDENT COMMENTS**

Resident Martie Shea mentioned the 8-10 friends who previously volunteered for Christmas decorating in the lobby, Restaurant, and Ballroom are no longer able to assist in decorating. Mrs. Shea suggested that the Board form a Decorating Committee to help with decorating the clubhouse along with special events.

Resident Joyce Forman mentioned that a golf ball was in the pool again. The Golf Committee will evaluate.

XIII. **UPCOMING MEETINGS**

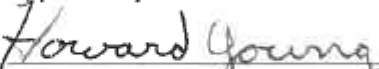
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XIV. **ADJOURNMENT** took place at 11:22 am.

Submitted By:


Karon Bennett, Assistant GM

Approved By HGRD Board:


Howard Young, HGRD Board Chair


Date