

**RECREATION DISTRICT JOINT MEETING WITH THE  
BOARD AND FINANCE COMMITTEE AGENDA**

January 29, 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		PRESENT
Chair Howard Young		Dick Kline	
Vice-Chair Peter Overs		Rita Lehman	
Treasurer Jayne Schwarz		Art Lippens	
Secretary Bill Kulkoski		Gulfshore Insurance	
Assistant Sec/Treas Karen Mars		Ryan Schmidt	
<b>Finance Advisory Committee</b>		<b>OTHERS</b>	
Dennis Popp, Chair		GM J.B. Belknap	
Larry Pedersen, Vice Chair		Controller Lynn Brew	
David Brendsel		District Counsel Tom Hart	
Jeff Buxton		Assistant GM Karon Bennett	
Paul Chipman		Residents	

- I. **CALL TO ORDER** – Chair Young
- II. **PLEDGE OF ALLEGIANCE** – Chair Young
- III. **ROLL CALL** – Assistant GM Karon Bennett
- IV. **BOARD CHAIR OPENING COMMENTS** – Purpose of the Meeting
- V. **FINANCE COMMITTEE CHAIR COMMENTS** – Dennis Popp
- VI. **UPDATE ON PROPERTY AND LIABILITY INSURANCE** – Ryan Schmidt
- VII. **FINANCE COMMITTEE COMMENTS AND RECOMMENDATIONS TO THE BOARD**
- VIII. **DISTRICT COUNSEL’S REPORT** - Thomas Hart, Esq.
  - A. Update on Discussion with Bond Counsel
- IX. **GENERAL MANAGER’S REPORT**– GM J.B. Belknap
  - A. Update on Bond Projects
- X. **OLD BUSINESS**
  - A. Recommendation of Finance Committee re: Wind Insurance
  - B. Approve Ballroom Renovation ad hoc committee – Supervisor Mars
  - C. Storage Building Discussion – Supervisor Kulkoski
  - D. Bathroom at the Driving Range Discussion – Chair Young
- XI. **NEW BUSINESS**
  - A. Volunteer Appreciation Event
- XII. **RESIDENT COMMENTS**
- XIII. **UPCOMING MEETINGS**
  - Thursday, February 1, 2024— Facilities & Amenities Committee—1:00 PM—CR-C/Zoom
  - Monday, February 5, 2024—Board of Supervisors —9:00 AM—CR-C/Zoom
  - Monday, February 5, 2024—Resident Events Committee—1:00 PM —Activities Room A - NO Zoom
  - **TBD** - Monday, February 12, 2024— Finance & Audit Committees —9:00 AM - TBD
  - Monday, February 12, 2024—Golf Committee— 1:00 PM —CR-C/Zoom
  - Monday, February 19, 2024—Board of Supervisors —9:00 AM—CR-C/Zoom
  - Monday, February 26, 2024—Long-Range Planning—9:00 AM—CR-C/Zoom
- XIV. **ADJOURNMENT**

**RECREATION DISTRICT JOINT MEETING WITH THE  
BOARD AND FINANCE COMMITTEE MINUTES**

January 29, 2024, at 9:00 a.m. in Card Room C

BOARD MEMBERS	PRESENT	Finance Advisory Committee	PRESENT	OTHERS	PRESENT
Chair Howard Young	x	Dennis Popp, Chair	x	<b>Gulfshore Insurance</b>	
Vice-Chair Peter Overs	x	Larry Pedersen, Vice Chair	x	Ryan Schmidt	x
Treasurer Jayne Schwarz	x	David Brendsel	x	<b>HGRD STAFF</b>	
Secretary Bill Kulkoski	x	Jeff Buxton	x	GM J.B. Belknap	x
Assistant Sec/Treas Karen Mars	x	Paul Chipman	x	Controller Lynn Brew	x
		Dick Kline	x	District Counsel Tom Hart	x
		Rita Lehman	x	Assistant GM Karon Bennett	x
		Art Lippens	x	Residents	3

- I. **CALL TO ORDER** – Chair Young opened the meeting at 9:00 AM.
- II. **PLEDGE OF ALLEGIANCE** – Chair Young led the Pledge of Allegiance.
- III. **ROLL CALL** – Assistant GM Karon Bennett took roll call; attendees are listed above.
- IV. **BOARD CHAIR OPENING COMMENTS** – Chair Young thanked the group for their support and input during the recovery from Hurricane Ian. The decision to go without wind coverage insurance on the clubhouse until the roof was fully rehabbed was a risk but it was, the Board believed, the right thing to do.
- V. **FINANCE COMMITTEE CHAIR COMMENTS** –Dennis Popp mentioned the primary focus of the meeting was to make a recommendation to the Board concerning property insurance, particularly wind mitigation and changing insurance renewal dates.  
**UPDATE ON PROPERTY AND LIABILITY INSURANCE** – Ryan Schmidt from Gulfshore Insurance led the group in a discussion on how to put the insurance coverage together to make sure the community is fully covered for wind. After looking at several different ways to provide coverage Ryan presented a wind policy through Catalytic Program. It is not a state-funded program. The best option is an annual policy at \$122,341 which would be effective February 1, 2024. Then, he suggested that it would be cost-effective to extend the wind policy 3-4 months (to March or April 2025) or before the start of the hurricane season. This would be an additional \$10,000 and would set all property policies up for an April 30th, 2025 renewal. The other policies would be moved to the same date. Exit Ryan Schmidt.
- VI. **FINANCE COMMITTEE COMMENTS AND RECOMMENDATIONS TO THE BOARD**
  - *Finance Committee Chair Dennis Popp made a motion that the Finance Committee recommend to the Board to authorize Gulfshore Insurance to secure wind coverage for the clubhouse from Catalytic Insurance. This would include full limits wind coverage with a 5% deductible and the Board consider both the 12-month or longer coverage options offered. . David Brendsel seconded the motion. **The motion was approved unanimously.***

**DISTRICT COUNSEL’S REPORT** - Thomas Hart, Esq. updated the group on a recent discussion he had with Bond Counsel Chris Traber and the use of bond proceeds. The question being posed was: Being that we are 3.5 years into the use of bond proceeds is there any penalty or downside for not building, or spending the funds within 3 years? Mr. Traber advised us that it’s not the year that’s a concern, it’s whether we have been using the low interest proceeds and investing at a higher rate. LLS Tax Solutions has been on contract to prepare the annual arbitrage report. As of May 1, 2023 the District had, negative \$400k, meaning that we are not close to arbitrage. Bond Counsel asked LLS Tax Solutions to prepare a report of Construction and Acquisition funds remaining, interest rates and interest earned, and expected expenditures of the funds. The report would be used to determine if the District will eventually have an arbitrage problem. The good news is we are not there, and we have good leeway before getting there. Supervisor Schwarz noted that the balance in the fund as of February 2, 2024 was \$2.5m.
- VII. **GENERAL MANAGER’S REPORT**– GM J.B. Belknap provided an update on Bond Projects as follows:  
**Pickleball:** We are awaiting MorSports assessment, options, and pricing to rehab our 4 existing courts. Once the lighting permits are issued, MorSprts is obligated to return and install the lights/repaint the courts. GM Belknap reached out to Jeff Stultz to confirm that foundation site work will be starting next week on the east side of courts so the pavers can then be installed. Accent Awnings is also in the queue for the shade structures.  
**Sports Complex:** Jim Ink is still attempting to amend the LDO with the county. This is needed to obtain the final inspection.  
**Pool Deck:** The railing company will be here on Tuesday to install the ramp railing.

**Window Replacement:** The permit to install the windows/door is still in the County's hands but we are trying to find out how we can help expedite the process. Fresh Air Solutions outlined a plan to work in the HOA office to remediate and repair any water leak/mold concerns. Based on water intrusion from those windows, some of the carpet will also have to be replaced.

**Admin Lobby & Pro shop:** Reaves Construction has filled in the nail holes and patched the drywall in the admin hallway. The next step is to paint before hanging any plaques, artwork, TV, etc.

**Restaurant divider:** No word back from Stultz regarding color samples and a shop drawing for the PDR partition. Our expectations are that the new track will be put into place in February with the partition installed in March. We'll also be in contact with our design consultant Sharon regarding colors.

**Fitness Center/Pickleball Parking:** GM Belknap will meet with the engineering firm, Hole Montes to get quote on evaluating the space and exploring additional vehicle parking opportunities.

**Restaurant Reno:** Since we have additional high-top table bases and extra table tops from Copperleaf we are checking to see if we could get additional bar stools in order to put more high tops at the end of the bar to help separate the "bar" area from the lounge seating. This, we feel, may help the F&B staff delineate the areas.

VIII. **OLD BUSINESS**

**Approve Ballroom Renovation ad hoc committee** – Supervisor Mars moved that the following volunteers be approved as the Ballroom Renovation ad hoc Committee: Karen Jessop, David Muir, Trish Perry, Pat Clopton, Paul Koenig, Bob Hansford and Beth Brucker. Vice-Chair Overs seconded the motion. **The motion was approved unanimously.**

**Storage Building Discussion** – Supervisor Kulkoski proposed that he work with the Problem-Solving ad hoc Committee to evaluate current storage spaces, meet with interest groups, and see what alternatives to building the large storage building are available. Supervisor Schwarz added we must focus on what space is honestly needed; Supervisor Kulkoski added that we need to look forward to future storage. Chair Young suggested that each group be given a definitive number of square feet for storage rather than allowing the groups to choose their amount of storage. A plan should be put into place for rotating out things that are no longer being used. GM Belknap added that the use of cargo containers may be a good option.

IX. **NEW BUSINESS**

Discussion of the Volunteer Appreciation Event was postponed until the following Board meeting.

X. **RESIDENT COMMENTS** – Discussion took place on reservations being required in the lounge.

XI. **UPCOMING MEETINGS**

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- Monday, February 12, 2024—Golf Committee— 1:00 PM —CR-C/Zoom
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- Monday, February 26, 2024—Long-Range Planning—9:00 AM—CR-C/Zoom

XII. **ADJOURNMENT** took place at 10:45 a.m.

**Submitted By:**

  
Karon Bennett, Assistant GM      Date

**Approved By HGRD Board:**

        
Howard Young, HGRD Board Chair      Date