

**FLAGLER ESTATES ROAD & WATER  
CONTROL DISTRICT REGULAR MEETING  
June 15, 2017**

Proceedings of a Regular Meeting of the Board of Supervisors of Flagler Estates Road and Water Control District were held in the District conference room located at 9850 Light Avenue, Hastings, Florida 32145.

**Present:** William Fisher, President  
Karen Frenz, Vice President  
Kathy Carter, Secretary  
Linda Gee, District Administrator  
Rusty Castleberry, District Attorney  
Mike Paesch, District Foreman  
Seth O'Connell, Treasurer

**Call to Order:** Mr. Fisher called the meeting to order at 7:05 p.m., after which the Pledge of Allegiance was recited.

**Roll Call:** All present. Mr. Castleberry arrived at 7:15. Scott Knowles, engineer, is not required to attend.

**Agenda Changes -** None

**Acceptance of the Agenda: (17-06/15-01) A motion was made by Bill Fisher to accept the Agenda for the June 15th Meeting. The motion was seconded by Karen Frenz. The motion carried unanimously.**

**Approval of the Minutes: (17-06/15-02) A motion was made by Karen Frenz to approve the minutes for the 6/01/2017 Regular Meeting as presented. The motion was seconded by Bill Fisher. The motion carried.** Kathy Carter abstained because she was not present at that meeting.

**Treasurer's Report** – Mr. O'Connell stated that Accounts Payable are \$198,679.41. He presented the budget reports and informed the Board that he reviewed the warrants and they appeared to be in order. He noted an expenditure of \$188,955.00 for a 2017 Caterpillar Wheel Loader. He also noted that he had signed checks but, although he is a signatory on the District accounts, he prefers to do so only as a last resort. The bank signature cards have not yet been processed.

**(17-06/15-03) A motion was made by Karen Frenz that the Accounts Payable for June 15<sup>th</sup>, 2017 be paid in the amount of \$198,679.41 as presented. The motion was seconded by Kathy Carter. The motion carried unanimously.** Mr. O'Connell reviewed the financial statements and encouraged the Board to ask any questions they may have, noting that there now are new Board members and they should feel free to call him with any questions. He further explained that the District is currently holding an excess because the bulk of District tax funds is received early in the year and the surplus will continue to disappear through to year's end. Mr. Fisher stated that the District Annual Budget was approved last month and could not be changed. Mr. O'Connell clarified that the budget was set last month but will not be approved until September. The only thing that cannot be changed is the assessment. Any over-expenditure would need to come out of reserves or by reallocating resources. He shared a little bit about a conversation he had with Steve Collins at the Annual Meeting, at which time Mr. O'Connell thought Mr. Collins implied the District was losing money. Actually, the District generates an excess. He stated the employees are good at saving money. Mr. Castleberry asked what happens in the instance of a deficit; Mr. O'Connell replied that the District has a \$1.6 million reserve that would cover it. Mr. O'Connell discussed the audit.

#### **Engineering Report - None**

#### **Regular Meeting Items:**

- Fire Hydrants – Mr. Fisher is researching a rotating hydrant and will have more information for the next meeting.
- **(17-06/15-04) A motion was made by Bill Fisher to remove Item #409 excavator and Item #365 water truck from the inventory. Kathy Carter seconded and the motion carried.**
- Mr. Fisher stated that the signature cards are now signed and ready.
- Walt Smith discussed his dissatisfaction with the voting process. He stated the information in the annual mailing was inadequate. He referred to chaos at the Landowners Meeting and spoke of the importance of periodically cleaning up the process. The delayed vote occurred after many owners had left. The attorney clarified that the District runs elections according to Statute 298. He stressed the importance of having a sign-up sheet for landowners voting from the floor for tax verification purposes. Kathy Carter recommended sending out a more informative letter in the annual mailing. Paul Hansen suggested adding the agenda to the mailing.
- There was discussion regarding the importance of shopping around for services.

**Attorney Report:** Mr. Castleberry reviewed the Florida Sunshine Law.

**District Administrator:** Linda Gee submitted her written report to the Board. She also reported she had received a records request from the former attorney and stated her belief the files were destroyed by the crew years ago. Ms. Gee has Board approval to be off work July 5<sup>th</sup> and 6<sup>th</sup>.

**Maintenance Superintendent Report:** Mike Paesch submitted his written documentation. He reviewed work accomplished since last meeting. He requested a schedule change due to the July 4<sup>th</sup> holiday. The staff would like to work Friday, June 30<sup>th</sup> and take off July 3<sup>rd</sup>. The Board agreed it was a decision to be handled by the management staff. Mike discussed gate replacement at Ashley Outfall. Karen Frenz requested a visit to that area. Mike submitted quotes for a welder, his preference being the Miller brand for \$2,570.

**Consent Agenda** - None

**Old Business** - No issues were discussed.

**Public Comments** - None.

**Board Comments:**

**Kathy Carter** - Kathy prefaced her remarks by stating that she had become complacent about the FERWCD since the replacement of the Board about eight years ago for reckless spending. However, now, as a newly elected Supervisor, she takes her role of stewardship quite seriously and therefore was seeking clarification of an issue that had come to her attention. She emphasized for the record this should not be construed as an attack on any individual and proceeded to ask a series of questions.

She asked the attorney, Mr. Castleberry, to explain the process for employee pay increases and evaluations; but he stated he is not involved in this process. Mr. Fisher explained that Mike Paesch fills out the forms for his crew and goes to Board for approval.

Kathy asked about management evaluations—i.e., Mike and Linda, at which point Mr. Fisher stated it is now a moot point because they are both “topped out.”

Mike Paesch elaborated on Mr. Fisher’s prior explanation by saying he reviews his crew and makes recommendations to the Board, which subsequently makes final decisions on pay increases.

Kathy then asked if the regular evaluation procedure was followed for the District Administrator’s most recent evaluation. Mr. Fisher said yes and he believed it was then she was topped out.

When asked how much of an increase was involved, neither Mr. Fisher, Ms. Gee, nor Mr. O'Connell could recall. Mr. O'Connell said he would have to check the figures for accuracy. He remarked, however, that he had questioned the awarding of this significant increase, whereupon he questioned Mr. Fisher and checked the minutes to ensure its approval and was satisfied it had been.

Kathy inquired what a typical raise would be, and Mr. Fisher responded that \$.50 to \$1.00 was usual depending upon the individual and performance.

At that point, Paul Hansen discussed the previous Board's discussion when they set the "top-out". The numbers are \$40/hr. for management and \$30/hr. for crew.

He noted that the plan was to have had an implementation time frame over the course of twenty years of service but that the first part of the plan (the top-out figures) passed but the second motion concerning time period did not carry.

Kathy asked what the annual figure amounts to, and Ms. Frenz calculated that the salary cap for management is \$83,200 per year.

Kathy asked the specific amount of Ms. Gee's January pay increase and inquired if there was a precedent for such a large amount. Mr. Castleberry said yes, in the form of Linda and Mike previously receiving large pay raises. He further stated that it does not matter because the Board approved it.

When Kathy inquired about the premise for Ms. Gee's increase, Mr. Fisher pointed to a situation where Ms. Gee performed her job exceptionally well and stated she deals with County commissioners regularly.

Former Board member Walt Smith added that sometime around 2000/2001, some managers from other districts visited Flagler Estates. He said there was a manager elsewhere who made \$85,000 and had a company car, though he couldn't recall specifics or which district it was. He suggested researching other districts and noted that the office administrator has a huge responsibility.

Ms. Frenz asked Mr. Castleberry about District liability. He responded that should something go wrong, Ms. Gee and the District could be held liable.

Kathy reiterated the fact that her questions were not personal but business related.

It was at this point that Mr. O'Connell determined Ms. Gee's hourly salary in March 2016, based on the preliminary budget worksheet for 2016-2017, to have been \$32.75/hr, and in January 2017 she was topped out at \$40/hr.

It was made clear that raises are not automatic and only the Board can access the District reserves if it becomes necessary to support unexpected expenses.

Kathy concluded the discussion by thanking everyone for their patience during this discussion.

**Karen Frenz**—Karen addressed the trash problem and noted that it becomes more apparent when the water level is up. The county is responsible for trash pick-up but the community has a responsibility to help.

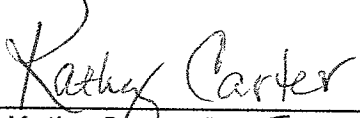
Karen asked about the legality in holding positions on more than one board in the community. The attorney will investigate.

**Bill Fisher**—Bill overheard some conversation after the Landowners Meeting alleging he padded his District timesheet. For the record, this is false. He stated that the Board should be paid to attend County Commission meetings. Paul Hansen answered that the

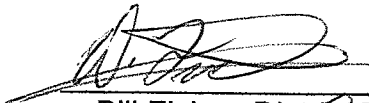
Board decided retroactively that they should be compensated for that particular meeting and, going forward, prior approval would be required for work outside of the District. It no longer matters because the Board is not presently receiving any compensation.

Mr. Fisher adjourned the meeting at 8:45 P.M.

Respectfully submitted,

  
\_\_\_\_\_  
Kathy Carter, District Secretary  
Board KC

Approved:

  
\_\_\_\_\_  
Bill Fisher, District President  
Board KC

Florida Statute 871.01 prohibits the disruption of public meetings. Whoever willfully interrupts or disturbs any public meeting shall be guilty of a misdemeanor of the second degree, punishable as provided in F.S. 775.082 or F.S. 775.083.