

**MINUTES OF MEETING
HERITAGE HARBOR
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Heritage Harbor Community Development District was held on Wednesday, November 16, 2011 at 6:00 p.m. at the Heritage Harbor Clubhouse, 19502 Heritage Harbor Parkway, Lutz, Florida.

Present and constituting a quorum were:

David Penzer	Chairman
Shelley Grandon	Vice Chairman
Russ Rossi	Assistant Secretary
Rich Gordon	Assistant Secretary
Jeff LaPace	Assistant Secretary

Also present were:

John Ricciardi	Manager
Lynn Jackson	Severn Trent Services
Jim Poertner	Field Superintendent
John Panno	Pro Shop Manager
Gary and Janet Morin	Residents

The following is a summary of the discussions and actions taken at the November 16, 2011 Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Ricciardi called the meeting to order and roll was called.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the October 19, 2011 Meeting

- Mr. Ricciardi stated each Board member received a copy of the minutes of the October 19, 2011 meeting and requested any additions, corrections or deletions.
- Corrections were noted on pages 3 and 6, which will be made and amended into the minutes.
- It was the consensus of the Board to tint the windows in the gatehouse now that it is unoccupied.

On MOTION by Mr. LaPace seconded by Mr. Gordon with all in favor the minutes of the October 19, 2011 meeting were approved as amended.

THIRD ORDER OF BUSINESS

Staff Reports

A. Golf Course

B. Director of Operations

- Mr. Poertner noted the seed was put down last week with the remainder going down on Monday. The weather has been cooperative to grow the seed and the golf course looks good.
- Mr. Poertner asked for more security at night for Hole No. 13 because kids are vandalizing the golf course. Mr. Penzer will request CIS to increase nightly patrols.
- A question was asked by Mr. Poertner if his staff still needed to clean the gatehouse. It was suggested staff check on it once a week.
- Mr. Ricciardi will follow-up with Mr. Tamborello in regard to pressure washing the exterior of the gatehouse.
- Mr. Panno reported eight days of rain the month of October adversely affected golf play. On Sunday, October 9th it rained all day and only two rounds were played. The outcome was between 450 and 500 rounds were lost, resulting in \$12,000 to \$15,000 in lost revenue.
- Jefferson High School will hold an alumni golf tournament here in May and perhaps throughout the year. The Cambridge School may also book a golf tournament in February.
- Mr. Panno is hopeful the weather holds out for Thanksgiving week, which is usually one of the busiest weeks of the year.
- Mr. Rossi inquired how the budgeting process works for rainy days. Mr. Panno explained his budgeting process is based on how the golf course has done historically.
- At the last meeting Mr. LaPace suggested creating a parking/storage area by the maintenance shed for residents to store their RV's, boats and trailers.
- Mr. Ricciardi sent an e-mail to District Counsel for his opinion on this issue. Mr. Robin's response was he did not see any compelling reason the District could not move forward if the Board was in favor of it.

- The pros and cons of creating the parking/storage area were discussed between the Board members.
- Mr. Ricciardi will ask District Counsel to clarify whether or not non-residents will be permitted to use the storage area for a fee. After consulting with Mr. Robin he will bring back an answer to the Board at the December meeting.
- A question was asked how the HOA/CDD issue discussed at the last meeting was working. Mr. Ricciardi indicated he is serving as the point of contact for the restaurant and golf course and so far it seems to be working okay, albeit a few issues.
- It was noted a system is now in place for credit card transactions if an emergency occurs.

The record will reflect Mr. Poertner and Mr. Panno excused themselves from the meeting.

FOURTH ORDER OF BUSINESS

Attorney's Report

- Mr. Ricciardi commented there was discussion at last month's meeting in regard to whether the District should obtain additional umbrella insurance. The Board made a decision to move forward with the additional umbrella insurance subject to consultation with District Counsel. Mr. Robin was contacted and he provided an extensive e-mail response, which will be made part of the record.
- Mr. Robin agrees the HOA needs more insurance than \$1,000,000 to \$2,000,000. However, coverage at this level is more than sufficient for purposes of the District, due to the protection offered by sovereign immunity.
- Mr. Robin is unaware of the history of the insurance policy and the cost advantage to the CDD having the resort policy in place, instead of having two separate policies. It was Mr. Robin's belief the HOA should be able to obtain its own insurance separately. The HOA can; however, it will cost the residents additional money.
- After further discussion, it was the consensus of the Board to share the \$5,000,000 umbrella policy with the HOA, as was stated in the motion made by the Board at the October 19th meeting.

FIFTH ORDER OF BUSINESS

Engineer's Report

There being no report, the next item followed.

SIXTH ORDER OF BUSINESS

**Manager's Report – Discussion on Arbitrage
Rebate Calculation**

- Mr. Ricciardi sent a letter on November 1st to Commissioner Crist and Commissioner Hagen pertaining to installation of a traffic light at the intersection of Heritage Harbor Parkway and Lutz Lake Fern Road. He has not yet received a response.
- Mr. Ricciardi contacted Envera inquiring whether they would be willing to lower their monthly service fee from \$267 to \$190. After a number of discussions with Envera they were agreeable to lowering the price to \$190.
- Ms. Jackson obtained two proposals for the electric and the boring at the east gate. One is from D'Andrea Electric in the amount of \$3,924 and the other is from Envera in the amount of \$1,985.
- Mr. Ricciardi commented he did not want to release the contract to Envera for the cameras until the Board had the scope for the cost of the boring and electric. Hopefully we should see some work out there in a couple of weeks.
- It was noted the new signage has been installed at the front gate.
- There have been three gate arm strikes since the installation of the electronic gate.
- The cameras have been readjusted a few times to ensure they are capturing license plates.
- Some of the ballards in the exit lanes have been taken out by vehicles. Mr. Ricciardi will contact Envera to see if they will replace them at no cost to the District.
- There were a few glitches at the gate with visitors pressing the yellow button to obtain directions to the golf course and restaurant. Envera was contacted, advising them 58 seconds was not an acceptable response time and their technicians needed to provide proper directions to visitors.
- Mr. Ricciardi will request Envera attend the next CDD meeting to discuss the gate issues.
- In Mr. Tamborello's absence, Mr. Morin agreed to accept \$10 per hour, or his regular hourly rate if it takes longer, to re-attach the gate arm if it is knocked down.
- Ms. Jackson will provide the Board with an Envera report for the next meeting.
- Copies of the insurance policies have been received and will be made a part of the District's records.

- Mr. Ricciardi was contacted by VGM Financial Services regarding sufficient evidence of property insurance and general liability for the golf equipment lease and provided them with confirmation of coverage.
- A cash flow summary report as of October 31, 2011 was provided to the Board. It was the consensus of the Board for this report to be included in the financial statements going forward.
- It was noted Ms. Jackson received some invoices from the County Tax Collector for stormwater fees. The Board will also see a Property Tax bill for the golf course and we will take advantage of the 4% discount. The property tax bill is \$9,670 and if paid by November 30th the amount will be \$9,283.
- The restaurant's gross revenue for the month of October was \$38,938 as compared to \$39,397 last year. To-date the gross amount is \$23,248 above last year's revenue. The total revenue to-date is \$394,577.
- UPS inquired if they could place a pod and golf cart on Heritage Harbor property for holiday deliveries. The Board indicated they were not interested.
- Mr. Ricciardi presented the Board with a letter he drafted to residents and non-residents who the cameras have captured damaging the gate arm, indicating such repair costs will be recovered from the owners of the vehicles involved.
- Mr. Ricciardi was contacted by Mr. Johnny Civil, who is the Director of Cuenca Safety & Crime Prevention, and provided a proposal for security services. Mr. Civil was formerly employed by CIS and worked as a security guard at Heritage Harbor.
- The proposal indicates the cost for two security officers (one armed and one unarmed) is \$1,600 per week for 8 hours per day, 7 days a week. This is what the CDD pays CIS for one armed officer.
- After some Board discussion, Mr. Ricciardi will contact Mr. Civil informing him the Board considered the proposal and will contact him if we go out for bid again. He will also notify CIS informing them of the security service proposal.
- The District is required to perform arbitrage calculations on a yearly basis, which was performed by Berger, Toombs, Elam, Gaines & Frank.
- Their determination was "At September 30, 2011, the cumulative earnings on investments did not exceed the amount which would have been earned had such non-

purpose investments been invested at a rate equal to the Arbitrage Yield. As such, there is no requirement for a principal to be on deposit in the Rebate Fund.”

On MOTION by Mr. Gordon seconded by Ms. Grandon with all in favor the Board accepted the Arbitrage Rebate Calculation Report performed by Berger, Toombs, Elam, Gaines & Frank.

SEVENTH ORDER OF BUSINESS Supervisor Requests

- Mr. Gordon commented there is some landscaping around Waterford Landing which needs attention and he will speak to Mr. Tamborello regarding the issue.

EIGHTH ORDER OF BUSINESS Audience Comments

There not being any, the next item followed.

NINTH ORDER OF BUSINESS Approval of Financial Statements

There being no comments or questions,

On MOTION by Mr. Gordon seconded by Ms. Grandon with all in favor the financial statements for the period ending October 31, 2011 were approved.


TENTH ORDER OF BUSINESS Adjournment

There being no further business,

On MOTION by Ms. Grandon seconded by Mr. Gordon with all in favor the meeting was adjourned.



John Ricciardi
Secretary



David Penzer
Chairman