

**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, August 15, 2012 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
Rich Gordon	Assistant Secretary (via telephone)
Jeff LaPace	Assistant Secretary
Russ Rossi	Assistant Secretary

Also present were:

John Ricciardi	Manager
Greg Tamborello	Director of Operations
Jim Poertner	Field Superintendent
John Panno	Pro Shop Manager
Residents	

The following is a summary of the discussions and actions discussed at the August 15, 2012 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 July 8, 2012 Meeting

Mr. Ricciardi stated each Board member received a copy of the minutes of the July 8, 2012 meeting and requested any additions, corrections or deletions.

On MOTION by Ms. Grandon seconded by Mr. Penzer with all in favor the minutes of the July 8, 2012 meeting were approved.
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THIRD ORDER OF BUSINESS

Staff Reports

A. Golf Course

- Mr. Poertner reported several lightning hits. One hit near Hole No. 4, which took out a 4" irrigation pipe. The computer was also zapped, but all information was backed up.

- A total of 36" of rain fell in the past two months.
- Mr. LaPace noted that TECO will install a surge protection system on the electrical meter located on the outside of a residence's home. TECO is responsible for the damage as long as the system is purchased from them. The cost for residents is approximately \$10 per month.
- Mr. Poertner has already purchased the seed for the fall and received a good price again this year.
- The greens are draining very well due to the aerification done in August.
- An e-mail was received from a resident, Ms. Rebecca Bittle, stating her 16-year-old son was riding his bicycle across the cart path bridge at the 14th tee when his wheel got caught up in something and he went off the edge, breaking his cheek bone.
- Mr. Ricciardi indicated the insurance carrier has been notified of the incident. No accident report was submitted and no incident report was filled out.
- Ms. Bittle requested the Board consider installing additional signage at the bridges indicating no bicycles on the bridge.
- Mr. Ricciardi contacted District Counsel and indicated that all access points to the golf course have adequate signage.
- Mr. Poertner commented he has \$4,500 in the budget to purchase more wood planks to maintain the bridges on Hole No. 1 and 18, which will put an entire new surface on the top of the bridge that will last another 15 years.
- The consensus of the Board was for Mr. Poertner to move forward with this purchase.
- Mr. Ricciardi will respond to Ms. Bittle explaining at this time the District feels there is adequate signage.
- Mr. Panno reported the golf course lost between 400 to 500 rounds of golf and \$10,000 to \$12,000 in revenue due to the rainy weather. A total of 2,998 rounds were played.
- The golf course joined with WDAE 620, the Sports Animal, who is giving out golf discount cards. There is no cost and it is great advertisement because the golf course will be advertised on both WDAE 620 and their AM station WFLA 970, News Talk.
- Mr. Ricciardi explained that on July 22nd an unexpected storm came through Heritage Harbor, blowing tables and chairs located near the pro shop into the parking lot. Once the storm passed, it was discovered that four vehicles were damaged. The vehicle owners

filed incident reports and it was provided to the District's general liability insurance carrier.

- The District received a subpoena from the law offices of Kaleel & Kaleel, P.A. in St. Petersburg requesting golf related public records information on an individual, Mr. Alfred Cousins. Mr. Panno researched golf course records and found a tee sheet and a sales receipt signed by him in February 2012. The information was forwarded to District Counsel who sent a letter with the documentation to the law firm indicating it was unnecessary for a District representative to appear at the hearing.
- An e-mail with a video attached was received from a resident showing young boys wake boarding on the 13th green during golfing hours, which is a safety issue. Mr. Gordon noted he believes these kids are from Waterford Landing.
- Mr. Poertner commented that since the video has surfaced he has not seen any kids on that green.
- Mr. Ricciardi noted that on January 21, 2008 he sent letters to a number of residents indicating children were observed playing on the golf course near their homes and the Board was concerned for their safety. He will contact District Counsel in regard to the type of action the Board can take.
- It was suggested publishing an article in the newsletter and posting it on the website.
- The Board requested Mr. Ricciardi to also discuss this issue with District Counsel, sending a letter to all residents on District Counsel's letterhead indicating the safety and liability issues.
- In regard to the inquiry of the golf equipment loan by Mr. Poertner at the last meeting, Mr. Ricciardi indicated it will be paid off in September.

FIFTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of the General Fund Budget for Fiscal Year 2013 (Resolution 2012-4) and Levy of Non Ad Valorem Assessments (Resolution 2012-5) and Adoption of the Enterprise Fund Budget for Fiscal Year 2013 (Resolution 2012-6)

- Mr. Ricciardi opened up the public hearing to consider the adoption of the general fund budget and enterprise fund budget for fiscal year 2013.

- General Fund Budget
 - It was noted the Board approved the proposed general fund budget at the May CDD meeting and the only change in this budget is that the actuals have been updated through July. The projections for August through September and for year-end have changed slightly due to the actuals.
 - Page 3 indicates the allocation of the fund balances and the total unassigned cash balance is \$153,366.
 - The assessment table shown on Page 10 indicates the assessments will remain the same as last year.
- There being no questions or comments from the Board or audience, Mr. Ricciardi asked for the Board's consideration of Resolution 2012-4, which adopts the general fund budget and related debt service budget for fiscal year 2013.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor Resolution 2012-4, a Resolution of the Heritage Harbor Community Development District (the "District") Relating to the Annual Appropriations of the District and Adopting the Fiscal Year 2012/2013 Operations and Maintenance Budget and the 2012/2013 Debt Service Budget Beginning October 1, 2012 and Ending September 30, 2013 was adopted.

- The second resolution for the Board's consideration is Resolution 2012-5, which authorizes the tax collector to collect the assessments based on the adopted budget.

On MOTION by Ms. Grandon seconded by Mr. Rossi with all in favor Resolution 2012-5, a Resolution of the Board of Supervisors of the Heritage Harbor Community Development District Levying and Imposing Operations and Maintenance Special Assessments for the 2012/2013 Fiscal Year; Providing for Collection and Enforcement of Special Assessments; Adopting and Certifying an Assessment Roll; Providing for Amendment of the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date was adopted.

- Enterprise Fund Budget
 - It was noted the only change to this budget was made at the July meeting. \$5,000 was taken out of R&M – Pumps and moved to Rental/Lease – Vehicle/Equipment, which does not change the total budget.
 - The actuals were updated through July.
 - Mr. Penzer questioned whether the operating income of \$16,915 shown on Page 19 was tighter than in recent years or similar to what we have been doing. Mr. Ricciardi indicated last year the operating income was \$5,308, so it is somewhat better.
 - Mr. LaPace inquired how many years were left on the restaurant lease. Mr. Ricciardi indicated there were two more years remaining on this term. The lease is a three-year term and they just finished the first year of the second term.
 - In regard to golf course revenue, Mr. Rossi was curious as to how we are proposing to drive more revenue next year. Mr. Panno responded that starting in January he was going to raise the rates somewhat to obtain more revenue.
 - Mr. LaPace commented on trying to obtain lower bank fees for credit cards. The current rate is 2.98%, which Mr. Tamborello feels is a very good rate.
- There being no questions or comments from the Board or audience, Mr. Ricciardi asked for the Board's consideration of Resolution 2012-6, which adopts the enterprise fund budget for fiscal year 2013.

On MOTION by Mr. Penzer seconded by Mr. Gordon with all in favor Resolution 2012-6, a Resolution of the Heritage Harbor Community Development District ("the District") Relating to the Adoption of the Fiscal Year 2012/2013 Enterprise Fund Budget Beginning October 1, 2012 and Ending September 30, 2013 was adopted.

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

THIRD ORDER OF BUSINESS

Staff Reports (Continued)

B. Director of Operations

- Mr. Tamborello provided photos of two separate incidents showing the damage done to monuments within the community.

- The first was vulgar language painted on the New Haven monument on Seamist Lane, which Mr. Tamborello was able to clean off. He is confident he knows who the offenders are.
- In the second incident there was serious damage to a Blue Water monument. Mr. Tamborello received an estimate of \$2,000 to reconstruct it with foam, which was the original material. However, he is waiting to obtain a bid to reconstruct it in brick from the company that installed the marble signs and should have it within the next couple of days.
- It was noted the landscaping at the front entrance looks great. Mr. Tamborello will request a proposal for landscaping the east gate. The bushes in front of the monument signs will be addressed when Luke Brothers comes on board.
- Mr. Tamborello followed-up on the dip in the road at the intersection of Heritage Harbor Parkway and Harbor Lake Drive. The County came out and indicated it was not an issue because it was less than three inches.
- He also followed-up with the County in regard to the raised sidewalks. He counted over 111 one inch ledges. The County indicated their sources are limited and when they come out it will be determined which ones to repair.

FOURTH ORDER OF BUSINESS

**Consideration of Luke Brothers, Inc.
Agreement**

- Mr. Ricciardi made one change to the Luke Brothers' agreement on Page 2, C (2), indicating they are to provide reports on the work performed to the Director of Operations and not the District Manager.
- The cost of the landscape maintenance agreement is \$10,576 per month, which is \$126,912 per year and is somewhat less than the current contractor.
- The Board requested the agreement include language indicating a full-time person will be assigned, which the Board was informed of at the July meeting.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board approved the Luke Brothers' landscape maintenance agreement, subject to the inclusion of language regarding a full-time staff member on site, approval by the Director of Operations and District Counsel, and authorizing the Chairman to execute the agreement.

- Mr. Ricciardi explained that ValleyCrest has a 30-day termination clause in their agreement. As soon as the language is inserted into the Luke Brothers' agreement, a termination notice will be sent to ValleyCrest. Luke Brothers will start on October 1st.

SIXTH ORDER OF BUSINESS **Attorney's Report**

There being no report, the next item followed.

SEVENTH ORDER OF BUSINESS **Engineer's Report**

There being no report, the next item followed.

EIGHTH ORDER OF BUSINESS **Manager's Report**

Follow-up Items:

- In regard to the towing for Track F, Ms. Jackson has been working very hard to get it done and the signage should arrive by the end of the week. The cost will be less than what the Board approved.
- The District does not have to sign a contract with the towing company and they will install a towing sign in the median on the same post as the camera. There will be a sign on each side indicating "no parking" and "no fishing".
- The individuals authorized to call the towing company are Mr. Penzer, Ms. Grandon, Mr. Rossi and Mr. Tamborello.
- The gate arm signs Mr. Penzer showed the Board indicating "one vehicle only" cannot be found. It was the consensus of the Board not to pursue it further.
- An Envera Gate Strike Incident Report indicated that on August 9, 2012 a van tailgated a truck through the visitor gate knocking off the gate arm. They tried to reattach it, but it kept falling off. However, the camera captured the license plate and Ms. Jackson contacted them requesting they send the \$25 fee.
- In regard to the beverage cart discussion last month, Mr. Kalojiannis informed Mr. Ricciardi the beverage cart was broken because the parts were not available locally. It is now back in operation. Mr. Ricciardi asked Mr. Kalojiannis to track the number of hours or days when the beverage cart is down.
- The monthly gross revenue for the restaurant for the month of July was \$42,964, compared to \$44,699 last year.

- Mr. Ricciardi explained the District's insurance carrier PGIT notified their insurance representatives that as of October 1, 2012 they will no longer insure CDDs for director, officer and employee liability. He determined the reason is because many CDDs in Florida have defaulted on their bonds and they do not want to have exposure to the CDD market.
- As a result, Mr. Ricciardi filled out the public officials' liability questionnaire and crime questionnaire with the assistance of Mr. Poertner and Mr. Panno. He also provided them with a copy of a sample contract and equipment lists.
- At this time, Brown & Brown is looking for other liability insurance for the District. They are confident we will be covered; however, it may be more expensive.
- The District was also notified that the insurance coverage for the storage tank system increased 1.3%. The renewal premium is \$684.79.

A. Proposed Meeting Schedule for Fiscal Year 2013

- Mr. Ricciardi noted the proposed meeting schedule for the upcoming fiscal year is basically the same as this year's meeting schedule.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the proposed meeting schedule for fiscal year 2013 was approved

NINTH ORDER OF BUSINESS

Supervisor Requests

- Mr. Penzer noted the gate hotline is working great.
- Mr. Ricciardi commented that Ms. Jackson is receiving calls from Envera and CIS, but not from the golf course.
- In regard to the gate arm, Star Electric installed a new designated line because it kept shorting out and it now seems to be working fine.
- Mr. Rossi indicated he will be out of town for the September 19th meeting and will be unable to call in.

TENTH ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

ELEVENTH ORDER OF BUSINESS Approval of Financial Statements

- In regard to the assessments, Mr. Ricciardi indicated that as of July 31, 2012 the District is 99.99% collected.

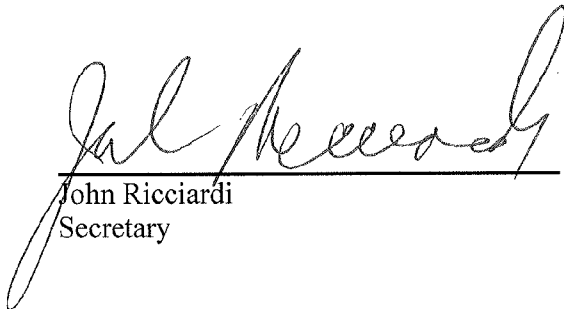
On MOTION by Ms. Grandon seconded by Mr. Penzer with all in favor the financial statements for the period ending July 31, 2012 were approved.

- In regard to the meeting schedule, Mr. LaPace inquired if the Board would be interested in meeting on another night of the week other than Wednesday.
- Mr. Ricciardi indicated he would need to check his other meeting schedules and discuss it with the Board at the September meeting.

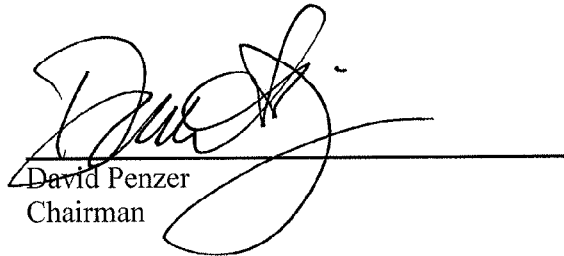
TWELFTH ORDER OF BUSINESS Adjournment

There being no further business,

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



John Ricciardi
Secretary



David Penzer
Chairman