

**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 28, 2012 at 6:00 p.m. in the Heritage Harbor Clubhouse, 19502 Heritage Harbor Parkway, Lutz, Florida.

Present and constituting a quorum were:

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

Also present were:

John Ricciardi	Manager
Tonja Stewart	Engineer
Greg Tamborello	Director of Operations
Jim Poertner	Field Superintendent
John Panno	Pro Shop Manager

*The following is a summary of the discussions and actions taken at the November 28, 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**

**Organizational Matters**

**A. Oath of Office of Newly Elected Supervisors by General Election (Shelley Grandon, Rich Gordon and Robert Rossi)**

- Mr. Ricciardi explained Ms. Grandon and Mr. Gordon ran unopposed in the general election held on November 6, 2012. Mr. Rossi ran against Mr. LaPace and won the election, so he is now a Supervisor on the Board.
- Mr. Ricciardi, being a Notary Public of the State of Florida, administered the oath of office to Ms. Grandon, Mr. Gordon and Mr. Rossi and a copy of the signed oaths will be made a part of the public record.

**B. Election of Officers, Resolution 2013-2**

- Mr. Ricciardi explained as a result of the election, the officer structure needs to be reconstituted. The Board needs to elect a Chairman and Vice Chairman. He proposed that he remain serving as Secretary, Mr. Bloom as Treasurer and Mr. Koncar as Assistant Treasurer. The remaining Supervisors will serve as Assistant Secretaries.
- Ms. Grandon nominated Mr. Penzer as Chairman. Hearing no other nominations, Mr. Penzer will remain as Chairman.
- Mr. Penzer nominated Ms. Grandon as Vice Chairman.
- Mr. Rob Rossi voted for Ms. Grandon.
- Mr. Russ Rossi nominated Mr. Gordon as Vice Chairman.
- Mr. Russ Rossi, Ms. Grandon, Mr. Penzer and Mr. Gordon voted for Mr. Gordon. Mr. Gordon is now the Vice Chairman.

On MOTION by Mr. Penzer seconded by Mr. Gordon with all in favor Resolution 2013-2 was adopted, designating Mr. Penzer as Chairman, Mr. Gordon as Vice Chairman, Ms. Grandon, Mr. Rob Rossi and Mr. Russ Rossi as Assistant Secretaries, Mr. Ricciardi as Secretary, Mr. Bloom as Treasurer and Mr. Koncar as Assistant Treasurer.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the October 16, 2012 Meeting**

- Each Board member received a copy of the minutes of the October 16, 2012 meeting and requested any additions, corrections or deletions.

On MOTION by Mr. Russ Rossi seconded by Mr. Gordon with all in favor the minutes of the October 16, 2012 meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Staff Reports**

**A. Golf Course**

- Mr. Poertner noted that he put the last of the seed down on the greens today, which is on schedule. The fertilizer will be put down on the tees and the collars after the seed comes up.
- There were three days of frost so far this year. The fairways are brown right now, which is expected for this time of year.

- The new tractor is working out very well and the other one goes up for sale on December 7<sup>th</sup>. The ad will be published in the Tampa Bay Times and bids will be accepted at Mr. Ricciardi's office until December 21<sup>st</sup>. Mr. Poertner commented interest has already been shown, so he is confident some bids will be received.
- Mr. Poertner indicated he and Mr. Panno were in line for performance bonuses in October which they did not take. However, November is looking good so they both will receive their bonus payments.
- Mr. Panno reported that in the month of October the golf course averaged over 100 players per day, totaled 3,336 rounds and \$8,000 more in revenue than last year.
- He noted they picked up the Encore RV Park Golf Group, who will play here on Fridays throughout the season. It is a group of 16-20 players, which will bring in approximately \$8,000 to \$10,000 in revenue.
- The Twilight Golf League, which has been playing in the Tampa area for about 25 years, will bring 36 to 46 players every Wednesday starting at 3:30 p.m. in March through the middle of September. This group will bring in approximately \$2,000 per month.
- Mr. Panno spoke with Mr. Kalojiannis to ensure the restaurant stays open and the beverage cart will start serving at 3:30 p.m.
- Mr. Ricciardi provided the Board with a Comparative Statement of Cash Flows for the Enterprise Fund for FY 2011 (audited) and FY 2012 (unaudited) and Mr. Gordon explained it.
- Going forward, the Board would like to see a monthly comparison and year-to-date comparison included in the financial statements.
- Mr. Ricciardi indicated that at the last meeting there was concern there would not be enough cash on hand to make the bond payment and perhaps the District needed to take out a loan from the general fund. An e-mail was sent to the Board indicating that since Mr. Poertner and Mr. Panno did such a great job in the last couple of weeks that there is enough money, so there is no need for a short-term loan from the general fund.

*The record will reflect Ms. Stewart joined the meeting.*

**SIXTH ORDER OF BUSINESS**

**Engineer**

- Mr. Ricciardi explained that at the last meeting damage to the Blue Water monument was discussed and the Board approved funds to replace it. Mr. Tamborello received bids to replace the entire monument; however, in working with the vendor it was determined the monument was built on the right-of-way line.
- Ms. Stewart indicated she is not comfortable creating a site plan without the area being surveyed. She had several communications with the contractor and was informed that if the monument is partially on CDD property and partially in the right-of-way he can make adjustments to the monument to put it on the property line.
- The contractor spoke with the County and technically there is a 15-foot setback for the monument on the property and as long as it is kept on the property line, it should be fine.
- The cost of the survey will be \$850. Their current engineering fees total \$300 to \$400 and it will probably be another \$150 to \$200 to finish. The permitting costs are part of the contractor's fee.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the engineering survey for the installation of the Blue Water monument in the amount of \$850 was approved.

*The record will reflect Ms. Stewart excused herself from the meeting. At this time the Board took a brief recess.*

**FOURTH ORDER OF BUSINESS**

**Staff Reports (Continued)**

**B. Director of Operations**

- Mr. Tamborello reported the Christmas tree lights are still being installed at a cost of \$1,750, which is \$250 more than last year. \$2,000 was budgeted.
- Mr. Penzer asked if the District could spend the remainder of the budget to put lights on the gatehouse. Mr. Tamborello will follow-up to see if it can be done because there is an issue with electrical cords running across the driveway.
- Ms. Grandon commented there are no lights on the Heritage Harbor monument in the front. Mr. Tamborello is aware of it and is following-up.
- Mr. Tamborello provided a proposal from Luke Brothers for the pump station at the pond and main line to the soccer field in the amount of \$6,183.

- A discussion ensued in regard to how the amount should be split between the general fund and the enterprise fund because occasionally the golf course needs to pull water from the pump station during a drought.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board approved the Luke Brothers' proposal for the soccer field main line pump connection in an amount not-to-exceed \$6,183 with the initial payment to be made from the general fund and the cost split to be determined at a later time.

- The next proposal from Luke Brothers is for landscaping enhancements at the east entrance in the amount of \$5,600. Renderings of the before and after enhancements were included.
- Mr. Tamborello noted that Luke Brothers guarantees their plants for one year from when they are planted.
- It was also noted there is no irrigation in Tract F. There is a reclaimed water meter in the area and a drip line for the flowers.
- The third proposal from Luke Brothers is for irrigation in the amount of \$8,518.50.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board approved the Luke Brothers' proposal for landscape irrigation for the Cypress Green entrance (Tract F) in an amount not-to-exceed \$8,518.50.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board approved the Luke Brothers' landscape enhancement proposal for the east entrance in an amount not-to-exceed \$5,600.

- Mr. Tamborello indicated he had some serious conversations with Luke Brothers as they promised him they would plant the flowers in front of the monuments prior to Thanksgiving. On Wednesday they indicated they could not plant the flowers and promised they would have it done on Monday. Monday came and there were still no flowers. He said he is not going to pay for the flowers.

**FIFTH ORDER OF BUSINESS**

**Attorney's Report**

There being no report, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Manager's Report**

- Mr. Ricciardi reported on an incident between a CIS security guard and a resident juvenile.
- Ms. Grandon pointed out that CIS needs to stay off HOA property as it is a liability issue and the insurance is too costly. These areas include the basketball court, tennis courts, volleyball courts, playground, hockey rink and the pool.
- Per a phone call between District Counsel, Mr. Ricciardi and Mr. Penzer, it was determined that CIS can patrol the parking lot since the CDD leases space and also operates the golf course.
- Ms. Grandon indicated that CIS can monitor the parking lot; however, if a crime is observed in HOA areas CIS needs to call the police and not engage or confront the individuals involved.
- Mr. Ricciardi noted that as far as trespassing is concerned, the trespass authorization form we have with the Hillsborough County Sheriff's Office is for CDD owned areas. He clarified with the Sheriff's Office that residents and non-residents can be trespassed from all CDD owned areas.
- The health plan for all the employees has been finalized, which includes the benefit package previously selected by the Board.
- A check in the amount of \$649.31 was sent to the Hillsborough County Tax Collector for the tangible personal property taxes. Mr. Ricciardi noted he will be filling out the tangible tax return this year as required.
- A letter from Straley & Robin to Berger, Toombs, Elam, Gaines & Frank will be made a part of the record. Basically every time an audit gets underway, District Counsel sends a letter to the auditors on behalf of the District.
- Mr. Penzer inquired if the Board wanted to change the day of the meetings back to the third Wednesday of the month. It was the consensus of the Board to keep the meeting date on the third Tuesday.

- In regard to obtaining new director and officer liability insurance, the District was contacted by Crowell & Associates. The necessary documentation was filled out and sent to them.
- Mr. Ricciardi will follow-up to find out the cost of public officer liability (POL) insurance.
- The District was contacted by the insurer of the public officer employment practices liability insurance to ensure there are policies in place on sexual harassment, hiring, benefits, etc. Mr. Ricciardi provided them with a copy of the updated employee handbook produced by Innovative, the staff leasing company.
- The Arbitrage Rebate Calculation Report was received and Mr. Ricciardi will provide a copy to the Board if requested. Basically, it is a report on the bonds required by SEC laws, indicating the District cannot earn more on the bonds than what is allowed. If more interest is earned, we have to give that money back to the IRS. Each year we engage Berger, Toombs, Elam, Gaines & Frank for a fee to perform the arbitrage calculation. Their findings were it was a negative arbitrage calculation and no funds are required in the rebate fund.
- An inspector from Everest National Insurance Company conducted a loss control visit of the restaurant and made a recommendation on how to reduce the possibility of surface flames from the grill igniting the grease fryer.
- Mr. Ricciardi contacted Mr. Kalojiannis to see if a baffle can be installed since the equipment cannot be moved. Mr. Kalojiannis indicated a baffle can be installed; however, the fire marshal has never indicated in their reports that a baffle is required.
- Mr. Ricciardi then contacted the insurer stating the fire marshal reports have not brought up this issue and inquired if this is something the restaurant needs to do since we do not want to jeopardize our insurance coverage. He is waiting for a response from the insurer.
- The annual Fire Inspection Report was received and the only issue affecting the CDD was for the restaurant to clean the accumulated grease on the walls of the kitchen, which was noted on the wall where the damaged emergency light is. Mr. Kalojiannis has scrubbed the walls to remove as much grease as possible, but the walls may need to be painted.

- The restaurant gross revenue amount for the month of October was \$41,456, with \$8,140 in revenue from the beverage cart. Year-to-date, the restaurant is \$8,495 above last year at this time.
- Mr. Ricciardi commented that CIS had a 3% increase in their costs, so that line item will probably be above what was budgeted. CIS always had an escalator built into their contract, but due to the economy they have not implemented their increase in three years, so this year they have.
- An e-mail was sent out showing the graffiti painted on the sidewalks and Mr. Tamborello had them pressure washed.
- A lengthy discussion ensued in regard to an article on Heritage Isles CDD paying off their bond and whether Heritage Harbor should default on the enterprise fund bond.
- Mr. Penzer explained the Board has discussed this in the past and the only way to renegotiate would be to default on the bond, which would affect the restaurant and golf course business. If the District can afford to pay the bond, it is the Board's responsibility to pay it.
- Mr. Ricciardi indicated the District has been contacted by the trustee of the construction account. Even though this community is built-out, the construction account has not been closed. In 2006, the developer submitted a requisition for \$97,595 to reimburse them for the work done on the project. At that time, the Board determined there were some remaining issues they were committed to and would not pay them out of the construction fund until Lennar completed these projects. Many of these issues were completed, except for the east gate. The Board released \$50,000 as a partial payment several years ago and over time they finished the projects they were committed to. The balance sheet reflects there is currently \$8,713.43 remaining in the construction account.
- Mr. Penzer indicated at some point the Board is hoping to meet the guidelines to install the east gates, which will depend on the timing of the expansion of Lutz Lake Fern Road. He inquired whether the District can keep the remaining funds in the construction account for this purpose.
- Mr. Ricciardi contacted District Counsel who stated "If those improvements are in the District's capital improvement plan then the answer may be yes." Obviously, the expansion of Lutz Lake Fern Road is not in the District's capital improvement plan.



District Counsel also noted that “The construction account has been kept open far longer than it should have been and needs to be closed. If the timetable for the widening of Lutz Lake Fern Road is speculative, then using the funds for that purpose is not going to work. More importantly, I expect the original Engineer’s Report shows the entry improvements and gatehouse were to be built with bond proceeds and that was, in fact, completed. We are not going to be able to pay for the same improvements twice.”

- In further discussion with District Counsel, Mr. Robin informed Mr. Ricciardi that since Lennar has not received this money from 2006, the amount may have been written off. Mr. Ricciardi also noted that the people the District previously worked with at Lennar are long gone, so perhaps Lennar does not even know about the requisition.
- Mr. Ricciardi commented that the money from the construction account can be used towards the principal of the bond to pay down that portion of the bond. It is his recommendation to authorize staff to close the construction account.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board authorized staff to proceed with the closure of the construction account and designate the remaining funds to pay down the bond principal.

**EIGHTH ORDER OF BUSINESS**

**Supervisor Requests**

- After some Board discussion, it was determined that Approval of the Financial Statements will be moved up on the agenda after Approval of the Minutes.

**NINTH ORDER OF BUSINESS**

**Audience Comments**

There not being any, the next item followed.

**TENTH ORDER OF BUSINESS**

**Approval of the Financial Statements**

- Mr. Ricciardi commented that he can walk Mr. Rob Rossi through the financial statements with the assistance of the accountant.

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

**ELEVENTH ORDER OF BUSINESS**

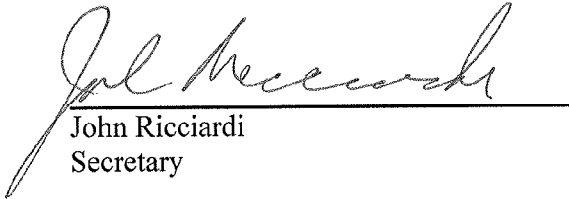
**Adjournment1**

There being no further business,

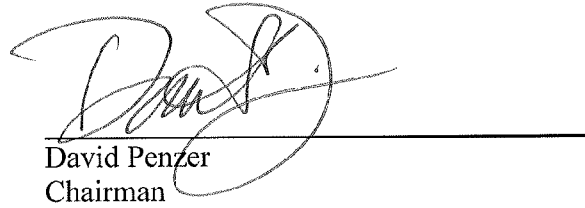
November 28, 2012

Heritage Harbor C.D.D.

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



John Ricciardi  
Secretary



David Penzer  
Chairman