

**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 Thursday, November 16, 2017 at 6:30 p.m. at the Heritage Harbor Clubhouse; 19502 Heritage Harbor Parkway, Lutz, Florida.

Present and constituting a quorum were:

David Penzer	Chairman
Russ Rossi	Vice Chairman
Shelley Grandon	Assistant Secretary
Patrick Giambelluca	Assistant Secretary
Clint Swigart	Assistant Secretary

Also present were:

Andy Mendenhall	District Manager
Chris Tarase	VP Severn Trent
Tracy Robin	District Counsel
Lynn Jackson	Operations

Residents

*The following is a summary of the discussions and actions taken at the November 16, 2017 Heritage Harbor Board of Supervisors meeting.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Audience Comments**

None.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the October 2, 2017 & October 19, 2017 Meetings**

A correction to the October 2, 2017 minutes was requested; page 2, second line should read *Jim Poertner*.

On MOTION by Mr. Giambelluca seconded by Mr. Penzer with all in favor the minutes of October 2 and October 19, 2017 were approved as amended.
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**FOURTH ORDER OF BUSINESS**

**Approval of the Financial Statements**

The financial statements included in the agenda package as well as additional supplements to the financials, which were previously emailed to the Board, were reviewed.

Regarding golf statistics in the financials, it was requested to include comparison figures comparing figures from the same time last year to this year’s figures such as the number of rounds, total revenue, etc.

The Board also requested a cash flow report be included with the financials and it was pointed out that the cash flow report was included with the financials on Page 17 of the financials.

Mr. Swigart questioned an item on agenda page 24, under Pro Shop, *why is Ladies’ Wear Sales and Men’s Wear Sales* split. He also questioned an item in financial notes regarding the reimbursement from the HOA, which was allocated and split between the Pro Shop and the Restaurant instead of used for the General Fund; what was the methodology?

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the financial statements were accepted.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. Golf Course**

Mr. Poertner discussed the following:

- o Seeded two weeks ago.
- o The transfer pump went down this week.

Mr. Panno discussed items included in his report including a reminder that the Heritage Harbor Golf Tournament for residents will be held December 3<sup>rd</sup>.

A discussion ensued regarding the prospect of hiring a golf consultant.

**SIXTH ORDER OF BUSINESS**

**Attorney’s Report**

None.

**SEVENTH ORDER OF BUSINESS**

**Engineer’s Report**

None.

**EIGHTH ORDER OF BUSINESS**

**District Manager’s Report**

**A. Audit Engagement Renewal from Berger, Toombs for the FY 2017 Audit**

It was explained the auditing services has been budgeted for and the fee is quoted at not to exceed \$8,275.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the audit engagement renewal with Berger, Toombs, Elam, Gaines & Frank to perform the fiscal year 2017 audit was approved.

The Reserve Study prepared by Reserve Advisors was briefly discussed and will be re-discussed at the next regular meeting.

**NINTH ORDER OF BUSINESS**

**Discussion of District Management Proposals**

Mr. Chris Tarase of Severn Trent discussed the due diligence he has done regarding the history between the District and Severn Trent. He reiterated his proposal previously submitted to the Board, which was to reduce the proposal over the course of the next twelve months, should we have the opportunity to do business. Should the District decide to go forward with a bond refinancing, Severn Trent would pick up their costs.

Board members expressed their opinions on this matter.

*The record will reflect representatives of DPFPG and Severn Trent left the meeting room.*

Mr. Rossi handed out the management proposals received from DPFPG and Rizzetta, with written comments made by him.

Board members and audience members expressed their opinions regarding the proposals and the service provided by Severn Trent.

Hearing a consensus of the Board to consider DPFPG the District's first choice for management services, Mr. Robin recommended that upon the return of Mr. Mendenhall and Mr. Tarase to the meeting, the Board make a motion naming their first choice for the new district management services, subject to negotiating acceptable terms.

An audience member suggested accepting the offer of a certain amount from Severn Trent.

Mr. Penzer stated raise your hand if your first choice is DPFPG; since this recording is audio only, the response could not be recorded by this transcriber.

Mr. Penzer added, I still don't think it is totally off the charts to listen to these guys but I totally respect the fact that you guys do. Mr. Robin reiterated we need to make sure we understand when they come back in what the key points are that you want to accomplish with DPF; price, you want Patricia as your lead manager who will come to all of your meetings, how long is the ask and what other special conditions, if any, are there. He recommended that the Board not give the 90-day notice to Severn Trent until they have locked in, made an agreement and got the contract signed.

The representatives of DPF and Severn Trent were asked to return to the meeting.

*The record will reflect representatives of DPF and Severn Trent returned to the meeting.*

Mr. Rossi led the discussion and addressed the DPF representatives and noted it was not an easy decision and they have come up with a consensus that their first choice for property management is DPF, but they do have some terms and conditions to discuss with DPF.

The following was noted by Mr. Rossi:

- o Price - \$80,000 is about \$10,000 more than we budgeted for this year; we have offers to be cheaper than that.

*Patricia – We'll reduce it by \$10,000*

- o We have to have the right financial business plan brought to us, the right financials and we would like to have Patricia be our property manager.
- o We want the term of the contract to be three years.
- o DPF agreed the fee would be \$70,000 for the first year, \$75,000 for the second year and \$80,000 for the third year.
- o We have a 60-day transition period.

Mr. Rossi noted he and the Board have been impressed with Andy and they love Lynn and this doesn't reflect on Andy as he kept his company in the game.

On MOTION by Mr. Rossi seconded by Ms. Grandon with all in favor engaging with DPF as the new District Manager for a three-year contract, the first year will be for \$70,200, the second year will be \$75,200, the third year will be \$80,200 and Ms. Patricia Tebow will be designated as the lead manager for the District and authorizing the Chairman to sign the contract subject to approval of District Counsel to the form of the contract was approved.

On MOTION by Ms. Grandon seconded by Mr. Rossi with all in favor directing District Counsel to send a termination letter to Severn Trent as soon as the new contract is executed between the District and DPFG was approved.

**TENTH ORDER OF BUSINESS**

**Operations Report**

Ms. Jackson reported the following:

- Gate arm was broken and has been repaired.
- The decorations are all up.

**ELEVENTH ORDER OF BUSINESS**

**Supervisors Requests**

Mr. Rossi thanked Lynn Jackson for her service.

**TWELFTH ORDER OF BUSINESS**

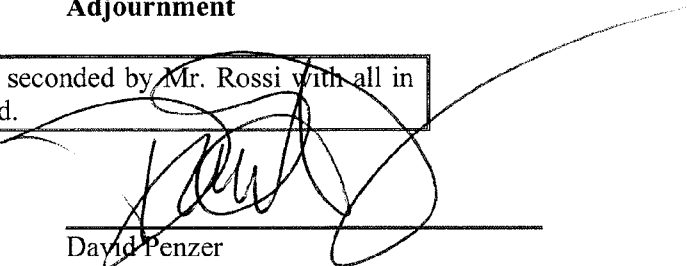
**Audience Comments**

None.

**THIRTEENTH ORDER OF BUSINESS**

**Adjournment**

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



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David Penzer  
Chairman