

**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, May 15, 2013 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
Rich Gordon	Vice Chairman
Russ Rossi	Assistant Secretary
Shelley Grandon	Assistant Secretary
Robert Rossi	Assistant Secretary

Also present were:

John Ricciardi	Manager
Greg Tamborello	Director of Operations
Jim Poertner	Golf Course Superintendent
John Panno	Pro Shop Manager
Nic Kalojiannis	Olympian Restaurant
Thomas Medlock	OLM, Inc.

The following is a summary of the discussions and actions taken at the May 15, 2013 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 April 16, 2013 Meeting

- Each Board member received a copy of the minutes of the April 16, 2013 meeting and any additions, corrections or deletions were requested.

The record will reflect Mr. Russ Rossi joined the meeting.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the minutes of the April 16, 2013 meeting were approved.
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THIRD ORDER OF BUSINESS

Approval of Financial Statements

- In regard to the general fund, Mr. Ricciardi indicated the revenue to-date from the Tax Collector is 95.41%, compared to 96.5% from last year. Additional funds will probably be received in May, and if not, they will be sold as tax certificates. Last year, the District was 100% collected and he assumes it will be the same this year.
- From an expenditure point of view, the District is under budget in administrative and in field. Total expenditures are under budget by approximately \$48,000.
- Regarding the enterprise fund, the overall revenue for the golf course and pro shop was down from budget by approximately \$42,000. However, when all the different elements of the budget are factored in for the Restaurant, Operating Income is running ahead of budget by \$38,000. From an operating income point of view, the District is ahead of where it needs to be against budget.

On MOTION by Mr. Gordon seconded by Mr. Penzer with all in favor the financial statements for the period ending April 30, 2013 were approved.

SEVENTH ORDER OF BUSINESS

Manager's Report

A. Consideration of OLM Landscape Consultant Agreement

- At the last meeting the Board requested OLM representatives attend tonight's meeting to address two issues. One being the bidding out of a new contract using the no cost option OLM submitted to the Board, as well as the monthly inspections. Mr. Ricciardi noted OLM is a well established company in the Tampa Bay area and he has worked with them for nine years in many of his other districts.
- Mr. Medlock explained he started OLM in 1988 and gave a brief history of his business. They developed a three-step program of contractor selection, specifications preparation and long-term performance based landscape maintenance consultation.
 - OLM assists communities with the preparation of the RFQ and RFP process, which includes service agreement duration, bidder instructions, examination of site, interpretation of specifications, contractor resumes and bid summary preparation.
 - OLM develops landscape maintenance specifications for each property, tailoring the level of service to protect the CDD's assets while minimizing costs.

- OLM's landscape maintenance consulting service is designed to provide long-term assistance in the administration of the landscape maintenance contract. Site inspections assure the CDD pays only for services received, maximizes curb appeal and minimizes plant loss, ultimately helping reduce yearly operational costs.
- Mr. Ricciardi noted districts that employ OLM see the value because they no longer have people complaining about the landscaping. OLM suggests new plantings, how to trim and also have horticulturists on staff.
- The monthly OLM inspection fee is \$1,000 and they have a 30-day cancellation if the Board is not happy with the results of their service.
- Mr. Ricciardi indicated there are funds available in the budget.
- Mr. Penzer commented that two years ago the Board discussed OLM and the fee at that time was \$900. He inquired if OLM would provide their service at that price. Mr. Medlock indicated he would reduce the fee to \$900 for the first year.

On MOTION by Mr. Gordon seconded by Mr. Russ Rossi with all in favor the Board authorized Severn Trent and OLM to bid out a performance based landscape contract.

- Mr. Tamborello inquired if OLM could do the same thing for the Seamist area, which is HOA, because nothing is being done there. Mr. Ricciardi will contact Ms. Wise at Greenacre Properties.

Discussion of the Restaurant Lease

- The Board asked Mr. Ricciardi and Mr. Russ Rossi to meet with Mr. Kalojiannis regarding the restaurant's lease per his e-mail dated May 6, 2013.
- Mr. Rossi explained that Mr. Kalojiannis wanted to execute their last three-year option on their current lease, which would be until 2017. He proposed having a new four-year option, extending it to 2021 and then another new three-year option, taking it through 2024 under the current lease terms. Although Mr. Rossi understood the intent of what the restaurant wanted to do, he felt there needed to be some consideration in regard to a rent increase.
- Mr. Kalojiannis' response was to continue with executing the three-year option that is left on the current contract, then have a four-year option until 2021 at the same rent and a new

two-year option that will run until the beginning of 2023. This piece will have an increase in the revenue share from 5% to 7%. The reason the last piece was two years is because it coincides with the bond pay off in May 2023.

- After some further Board discussion regarding the restaurant lease, it was the consensus of the Board to accept the terms and proceed with a new contract. Mr. Ricciardi will contact District Counsel to determine whether a new contract will need to be drawn up or an addendum to the contract can be prepared.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Golf Course

- Mr. Panno reported that April was a good month with 4,034 rounds played, averaging over 134 players per day.
- It was noted that Plantation Palms Golf Course may be financially stressed and is closing the course on Mondays throughout the summer months.
- Mr. Panno provided the Board with a copy of the Club Car proposal for new golf carts. The last payment on the current lease is in July and if the golf course keeps this lease until the end of the year, the cost per cart is \$81 per month and increases \$1 for each additional month. He negotiated the price to \$84 per cart for a shipment in July.
- We will return the 70 old carts and they will provide 70 new ones with a brand new beverage cart. The new payment will begin in August which includes an increase of \$2,200 per year.
- Mr. Ricciardi questioned Club Car's charges in regard to damage to the returned golf carts. Mr. Panno indicated he was sure the District would not be charged any penalties for the returned carts.
- Mr. Ricciardi commented that the last time there was an issue with the loan financing process taking so long. Mr. Panno will contact Mr. Ricciardi at the end of the week to discuss the lease numbers.
- The cost for leasing the entire fleet of golf carts totals \$71,050, \$2,200 more than the last lease of \$68,850.

On MOTION by Ms. Grandon seconded by Mr. Russ Rossi with all in favor the Board authorized the Chairman to sign a new lease contract with Club Car, subject to District Counsel review.

- Mr. Poertner reported a phone call from a resident indicating she tripped on a nail on a wooden bridge on Lutz Lake Fern Road. He sent one of his staff out to look at it and he pounded it down. However, it is a County Road and the County will be contacted indicating it is a safety issue.
- He indicated the District has an agreement with SWFWMD to plant vegetation in the two ponds at Fishermans Bend along Lutz Lake Fern Road.
- Mr. Ricciardi indicated this will come out of the general fund because it is part of the stormwater permit.
- Mr. Poertner and Mr. Tamborello will work on obtaining costs for the plantings.

B. Director of Operations

- Mr. Tamborello noted he was moving out of the community, which is only 20 minutes away, and is willing to respond to after hour emergency situations.
- He indicated that he had not connected the pump because he was unclear what the Board was going to do regarding Luke Brothers. He contacted two plumbers and someone is coming out to look at the pump.
- It was noted there was a leak in the irrigation system and a part has been ordered. An oak tree may need to be removed because the root system is crushing the pipe.

FIFTH ORDER OF BUSINESS

Attorney's Report

There being no report, the next item followed.

SIXTH ORDER OF BUSINESS

Engineer's Report

- Mr. Ricciardi noted that Ms. Stewart is working with Mr. Tamborello in regard to the repair of the stormwater control structure, which will cost \$3,500.

On MOTION by Ms. Grandon seconded by Mr. Gordon with all in favor the repair of the stormwater control structure as proposed by Site Masters of Florida, Inc. in the amount of \$3,500 was approved.

SEVENTH ORDER OF BUSINESS

Manager's Report (Continued)

- Mr. Ricciardi provided the Board with the April gross revenue for the restaurant in the amount of \$48,964 and \$9,363 from the beverage cart. To-date the revenue totals \$133,419 compared to \$140,362 last year at this time.

- The certificate of liability insurance required by Hillsborough County in regard to the gate agreement has been received and it has been sent to the County.

B. Report on Number of Registered Voters – 1,330

- Mr. Ricciardi noted there are 1,330 registered voters residing within the District. He indicated it may be possible to obtain the breakdown of what the residents' political affiliations are.

C. Distribution of the Proposed Budget for Fiscal Year 2014 and Consideration of Resolution 2013-3 Approving the Budget and Setting a Public Hearing

- General Fund
 - Mr. Ricciardi indicated at the last meeting it was the Board's direction to revise the budget in order to keep the assessments flat.
 - The Comparison of Assessment Rates table for FY 2013 versus FY 2014 shown on page 10 of the general fund budget indicates the assessments remain the same as last year. This was achieved by adjusting the Miscellaneous Contingency line item to \$63,295.
 - In regard to the possibility of the OLM agreement for monthly landscape inspections, there are two options. One option is to leave the budget as is and not make any changes and if the Board decides to hire OLM it will come out of Miscellaneous Contingency or Landscaping and the budget can be amended at the end of the year. The second option is to create a line item in this proposed budget for Landscape Consultant in the amount of \$10,800, which will reduce the Miscellaneous Contingency line item by that amount. This will not change the assessments or the expenditures.
 - It was determined to leave it as it is until the Public Hearing.
 - Since the last time the Board saw the budget, the actuals for April have been updated and the projections have been adjusted slightly.
 - Page 8 shows the Debt Service Fund and provides information on the funds needed to pay the bond, which will be paid off in May 2019 as shown on Page 9.

- Enterprise Fund
 - This budget remains almost the same as last year with a few changes of some line items. If the Board approves the budget unchanged, it shows a profit at the end of the year of \$2,472.
 - \$2,220 was added to the Lease – Carts line item which was budgeted at \$68,850 and will now be increased to \$71,070.
 - Mr. Panno indicated he could adjust the R&M – Range line item to zero and reduce the line item for Supplies – Scorecards from \$2,040 to \$1,500 in order to make up the \$2,220 added to Lease – Carts.
- Mr. Ricciardi asked the Board to consider Resolution 2013-3 which approves the budget for fiscal year 2014 and sets the public hearing for August 20, 2013 at 6:00 p.m. at this location.

On MOTION by Mr. Gordon seconded by Ms. Grandon with all in favor Resolution 2013-3, A Resolution of the Board of Supervisors of the Heritage Harbor Community Development District Approving the Budget for Fiscal Year 2014 and Setting a Public Hearing Thereon Pursuant to Florida Law was adopted.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

- Mr. Penzer will find out when school is out for the summer in order for Mr. Tamborello to contact CIS about increased security coverage for a two week period.
- Ms. Grandon and Mr. Tamborello met with the landscapers and they will make changes to the monument landscaping at the front and back entrances.
- Mr. Ricciardi will need to know if different specifications are to be built into the new landscaping bid and will send the specifications to Ms. Grandon and Mr. Tamborello to review.

NINTH ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

TENTH ORDER OF BUSINESS

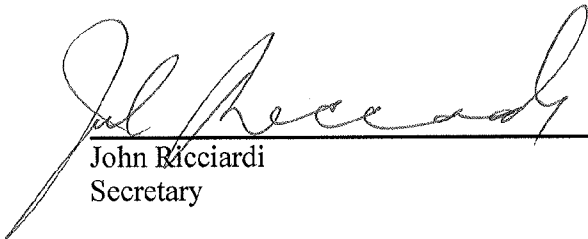
Adjournment

There being no further business,

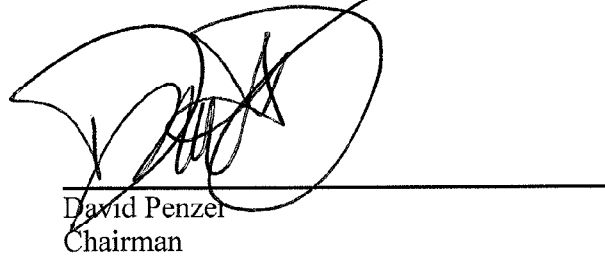
May 15, 2013

Heritage Harbor C.D.D.

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



John Ricciardi
Secretary



David Penzel
Chairman