

**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 Tuesday, July 16, 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
Tracy Robin	Attorney
Tonja Stewart	Engineer
Greg Tamborello	Director of Operations
Paul Woods	OLM
Resident	

The following is a summary of the discussions and actions taken at the July 16, 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 June 18, 2013 Meeting

- Each Board member received a copy of the minutes of the June 18, 2013 meeting and any additions, corrections or deletions were requested.

On MOTION by Mr. Gordon seconded by Ms. Grandon with all in favor the minutes of the June 18, 2013 meeting were approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Golf Course

- Mr. Panno reported there were 15 inches of rain in June and still managed over 3,000 rounds of golf, averaging 105 players per day.
- At 8:00 p.m. on Monday, July 8th, Mr. Panno received a phone call informing him a golf cart was missing. He and his staff searched the entire community for the cart that evening until 11:00 p.m. CIS was notified and Mr. Panno filed a report with the Hillsborough County police.
- The next day an employee at the Golf Cart Depot indicated someone called trying to sell a brand new golf cart for \$2,500 and left his phone number. A Hillsborough County detective tracked him down, the golf cart was recovered and the thief was jailed.
- Mr. Panno provided a restitution report in the amount of \$576.80 for lost revenue and costs accrued for new decals and golf course staff assistance in the search.
- Mr. Poertner reported that the greens were aerified last week. The cutting of the grass fell behind the weekend of the 4th of July due to the rainy weather, but with all the rain the course is looking good.
- Mr. Panno asked for approval to purchase \$200 to \$300 in gift cards for some of his staff who assisted in the search of the golf carts and the gentleman at the Golf Cart Depot who led him to the thief. Mr. Penzer approved the request.

SEVENTH ORDER OF BUSINESS

Manager's Report

A. Consideration of Landscape Maintenance Bids

- Mr. Paul Woods of OLM introduced himself to the Board members and discussed the bid process. Six proposals were timely received from Austin Outdoor, Big Yellow Enterprises, Inc., Buccaneer Landscape Management, Fieldstone Landscape Services, Greenview Landscaping and Luke Brothers Landscape Services. Unfortunately, ValleyCrest Landscape Maintenance's proposal was received after the deadline and District Counsel indicated they were disqualified for not timely submitting their proposal.
- The price of the bids submitted ranged from \$121,203 to \$208,055. Big Yellow Enterprises, Inc. was the lowest bidder and 24% lower than the next highest bidder. Mr. Woods is concerned that because their number was so low they may have missed something in their proposal.

- Mr. Robin indicated that in accordance with the RFP, the Board is supposed to take the lowest bidder that meets all the qualifications.
- Mr. Penzer asked whether Mr. Woods thought the reason Big Yellow Enterprises, Inc. may have provided such a low bid was just to get the project and was concerned as to whether they can do the job. Mr. Woods indicated he is skeptical they can perform the work at the rate they bid.
- Mr. Robin agreed there is justification for rejection of Big Yellow Enterprises' low bid because OLM, being the professional consultant, brought a concern to the Board. He is in attendance tonight to assist the Board in avoiding a bid protest.
- After a lengthy discussion on whether to select Big Yellow Enterprises, Inc. as the District's landscape maintenance contractor, a straw poll indicated that Mr. Penzer and Mr. Gordon wanted to wait a month and perhaps have Big Yellow Enterprises, Inc. attend the next meeting. Ms. Grandon wanted to select Big Yellow Enterprises, Inc., Mr. Rob Rossi did not want to select them and Mr. Russ Rossi did not want to wait.
- Mr. Woods reminded the Board that there is a 30 day out if the contractor does not live up to their expectations.
- In regard to the fiscal year 2014 budget, Mr. Ricciardi indicated \$126,012 is currently budgeted and if the Board did not select Big Yellow Enterprises, Inc. but went with the next highest bidder, which is Greenview, approximately \$30,000 would need to be taken from the Miscellaneous Contingency line item and/or Unassigned Cash (each year) in order to keep the budget flat for the next three years.
- It was noted there were 10 testimonial letters from Big Yellow Enterprises, Inc. clients included in their proposal package commending their work.

Mr. Penzer MOVED and Ms. Grandon seconded to accept the Big Yellow Enterprises, Inc. landscape contract.

- Further discussion ensued with Mr. Tamborello commenting that the selected landscape contractor will sign a performance based contract and the Board needs to have faith that OLM will keep them in line.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor the Board approved entering into a landscape maintenance agreement with Big Yellow Enterprises, Inc.

- Mr. Ricciardi noted he will work with Mr. Woods at OLM and District Counsel to finalize the contract. The current contract has a 30-day termination clause and he will prepare a termination letter to Luke Brothers as soon as the new contract is ready for signature. Big Yellow Enterprises, Inc. start date will probably be in 45 days.

On MOTION by Mr. Gordon seconded by Ms. Grandon with all in favor the Board authorized the Chairman to execute the contract with OLM as previously proposed.

Mr. Woods commented he was looking forward to getting started on this project and excused himself from the meeting.

SIXTH ORDER OF BUSINESS

Engineer's Report

A. Littoral Shelf Plantings

- In regard to the planting of the littoral shelf, Ms. Stewart noted that Mr. Poertner received a proposal for plants in the two littoral shelves where repairs were made to the drainage structure in front of Ms. Grandon's residence.
- The proposal from Aquatic Systems for the plantings originally totaled \$12,200; however, Ms. Stewart commented that the Board needs to inform the vendor they only have \$5,000 to spend so it is within the District's budget. Mr. Ricciardi noted the funds will come out of Miscellaneous Contingency.
- Ms. Stewart indicated that the planting of the littoral shelves is required as part of the stormwater permit.

On MOTION by Mr. Penzer seconded by Mr. Gordon with all in favor the planting of the two littoral shelves in an amount not-to-exceed \$5,000 was approved.

- Ms. Stewart will contact Aquatic Systems to have them re-submit their proposal.
The record will reflect Ms. Stewart excused herself from the meeting.

FOURTH ORDER OF BUSINESS

Staff Reports – Continued

B. Director of Operations

- Mr. Tamborello wants the Hibiscus plants in front of the monuments removed and will ask the landscape contractor for a credit.
- It was noted nine streetlights are out on the main boulevard and Mr. Tamborello contacted TECO. Seven decorative lamps are also out.
- Ms. Grandon requested that Luke Brothers trim the trees growing into the street on the corner of Cypress Green.
- In regard to the annual inspection for backflow prevention around the Clubhouse, Mr. Tamborello will follow-up with Hillsborough County and/or Ms. Stewart to determine whether it is a CDD or HOA responsibility.

FIFTH ORDER OF BUSINESS

Attorney's Report

- Mr. Robin indicated the golf cart lease contract was finalized.
- The last of the restaurant lease changes were sent to Rocky's and he is just waiting on the last of the changes being reviewed by their attorney.
- The HOA received an agreement from a music royalty company, American Society of Composers, Authors and Publishers (ASCAP) in regard to copyright privileges. Mr. Robin will obtain some additional information about what notices have been received because he is unsure if it pertains to the HOA or the CDD. Mr. Gordon noted the CDD does not sponsor any events.

The record will reflect Mr. Robin excused himself from the meeting.

SEVENTH ORDER OF BUSINESS

Manager's Report – Continued

- Mr. Ricciardi ordered the yellow tape for the gate arm at a cost of \$48 for 30 feet. However, Mr. Tamborello installed a new type of gate arm for \$180. A decision was made to return the yellow tape.
- The June gross revenue for the restaurant totaled \$55,138 and to-date total gross revenue is \$249,611, which is \$9,323 above last year at this time.
- In response to a query from Mr. Panno in regard to the retention of credit card receipts, it was determined the retention period is five years and anything older can be discarded. If the pro shop disposes of any receipts the stacks must be measured in inches and included in Severn Trent's Records Disposition Report for the District.

- Mr. Ricciardi has been advised that Zurich Insurance Company is no longer providing commercial storage tank pollution liability policies. Brown & Brown indicates it is not an issue because they have access to other insurers in this market and will have something for the Board to review prior to the September 15, 2013 expiration date.
- Mr. Poertner informed Mr. Ricciardi that the State is coming out to do their annual inspection of the fuel storage tanks and will need a copy of the insurance policy, which will be provided.

B. Discussion of the Proposed Fiscal Year 2014 Budget

- In regard to the general fund fiscal year 2014 budget, Mr. Ricciardi noted the only change to the budget was that the actuals and projections were updated.
- There potentially was an issue with the landscaping line item; however, in selecting Big Yellow Enterprises, Inc. it is no longer an issue. Landscaping is budgeted at \$126,912 and Big Yellow Enterprises, Inc.' proposal is for \$121,203.
- Contracts – Guard Services will be watched for another month and may need to be increased somewhat by reducing Miscellaneous Contingency.
- In the enterprise fund budget, the actuals and projections were updated. The projected Total Operating Revenue is slightly higher at \$1,227,453 and the Gross Profit also increased slightly to \$1,209,603.
- Between now and the public hearing, Mr. Ricciardi asked Mr. Poertner and Mr. Panno to look carefully at the Projected July-September 2013 column to ensure the numbers are what they think they need to be. He also asked them to look at the projected numbers for fiscal year 2014 to see if anything needs to be tweaked.
- If the general fund budget is adopted as it is presented there will be no increase in assessments.

THIRD ORDER OF BUSINESS

Approval of Financial Statements

- In regard to the general fund, Mr. Ricciardi noted that to-date the District is 98.85% collected, compared to 98.66% last year. He is confident that once the tax certificates come in, the District will be 100% collected. From an expenditure point of view, the District is under budget by \$33,000.

- Regarding the enterprise fund for the golf course and pro shop, year-to-date from a revenue point of view the District is \$57,000 under budget and overall gross profit is under budget by \$54,000. Golf course expenses are under budget by \$42,000 and the pro shop is under budget by \$9,700.
- The consolidated enterprise fund indicates we are ahead of budget.

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

EIGHTH ORDER OF BUSINESS

Supervisor Requests

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Audience Comments

- Mr. Doug Smith, a resident of Waterford Landing Drive, inquired as to what the District's policy was for cutting the grass around the ponds on the golf course, specifically on the 13th fairway. He indicated they are only cutting half way around the pond and he is fearful that his elderly neighbor may fall into the pond trying to cut that grass.
- Mr. Tamborello indicated the pond is 90% golf course maintained and he will follow-up with Mr. Poertner.

TENTH ORDER OF BUSINESS

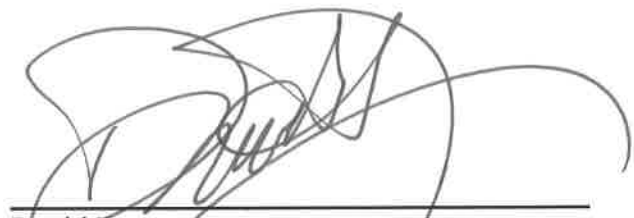
Adjournment

There being no further business,

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



John Ricciardi
Secretary



David Penzer
Chairman