

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

HARBOR BAY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of Harbor Bay Community Development District was held on **Thursday, February 23, 2012 at 5:52 p.m.** at the MiraBay Clubhouse, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33752.

Present and constituting a quorum were:

Ed Stone	Board Supervisor, Chairman
Rip Ripley	Board Supervisor, Vice Chairman
Julie Guill	Board Supervisor, Assistant Secretary
Paul Stumpf	Board Supervisor, Assistant Secretary
Tom Hatcher	Board Supervisor, Assistant Secretary

Also present were:

Scott Brizendine	District Manager, Rizzetta & Company, Inc.
John Toborg	Field Operations Manager, Rizzetta & Co., Inc.
Jere Earlywine	District Counsel, Hopping, Green & Sams, P.A.
Jamie Scarola	District Engineer, Scarola & Assoc. Engineering
Karla Carusone	Club Manager
Kristy Owens	District Coordinator
Ed Norstrem	Mirabay Dragonboat Club
Audience	

FIRST ORDER OF BUSINESS

Call to Order

Mr. Brizendine called the meeting to order and conducted roll call

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

A member of the audience inquired about what constitutes an open meeting of the Board and whether a meeting held between a Board Supervisor and vendors would need to be a public meeting and was informed that it would not. The audience member had other comments and was told that these were not agenda items and would not be discussed at this time.

(Mr. Brizendine asked for a brief recess at 5:37 p.m. The meeting reconvened at 5:38 p.m. with all those in attendance at the onset of the meeting still in attendance.)

THIRD ORDER OF BUSINESS

Presentation by Mirabay Dragonboat Club

Mr. Norstrem provided some general information regarding the Dragonboat Club he is in the process of establishing. He explained that the members would be training in the lagoon and are looking to store the 30 foot boat on one of Mirabay's boat lifts. A brief discussion ensued.

On a Motion by Ms. Guill, seconded by Mr. Stone, with all in favor, the Board of Supervisors authorized Staff to look into ownership of lifts and prepare a license agreement for use of the lift for the Dragonboat Club for Harbor Bay Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of Minutes from the Board Supervisors' Meeting Held on January 26, 2012

Mr. Brizendine reviewed the revisions that were requested by Mr. Stumpf and asked if the Board was comfortable with those changes or had any other comments. There were none.

On a Motion by Mr. Stone, seconded by Mr. Stumpf, with all in favor, the Board of Supervisors approved the minutes from the Board of Supervisors' meeting held on January 26, 2012 as amended for Harbor Bay Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of Operation and Maintenance Expenditures for January 2012

There were no questions regarding any of the expenditures included in the report.

On a Motion by Mr. Stumpf, seconded by Mr. Ripley, with all in favor, the Board of Supervisors approved the Operation and Maintenance Expenditures paid during the period of January 1-31, 2012 (\$221,767.10) for Harbor Bay Community Development District.

SIXTH ORDER OF BUSINESS

Consideration of Operations and Maintenance Expenditures for January 2012 – Mira Bay Amenity Center

There were no questions regarding any of the expenditures included in the report.

On a Motion by Mr. Stumpf, seconded by Ms. Guill, with all in favor, the Board of Supervisors approved the Operation and Maintenance Expenditures paid during the period of January 1-31, 2012 (\$53,039.66) for the Mira Bay Amenity Center, for Harbor Bay Community Development District.

SEVENTH ORDER OF BUSINESS

Club Manager's Report

Ms. Carusone provided a brief overview of the special events and recurring programs that were held during 2011, as well as touching on the success of the café, spa, and tennis program. She reviewed the financial statement for the amenity center stating that they spent approximately \$50,000 less than what was budgeted and revenue was up from last year.

Ms. Carusone informed the Board that the grand opening for the fitness center is in progress and invited everyone to go check it out after the meeting. She responded to questions regarding the removal of monitors in the fitness center and the purchase of a new TV.

A brief discussion ensued regarding the proposal that was presented last month to replace the tennis screens at a cost of \$4,500 without the logo or \$5,250 with the logo. It was noted that the screens could be funded out of the capital reserve account or the miscellaneous contingency account.

On a Motion by Mr. Hatcher, seconded by Mr. Stone, with all in favor, the Board of Supervisors approved the replacement of the tennis windscreen with the logos at a cost of \$5,250 to be paid out of the miscellaneous contingency for Harbor Bay Community Development District.

EIGHTH ORDER OF BUSINESS

Consideration of any Matters Relating to Litigation

There were none.

NINTH ORDER OF BUSINESS

Review of Scope of Service for Landscape RFP

Mr. Brizendine stated that he has been working diligently with District Counsel and the Operations Manager to prepare the Scope of Services for the landscape RFP. He explained that while they are close to being ready for the Board to review it, they are looking at April for this to be completed. The current schedule is to have the Board review the draft package in April, advertise the RFP in May with the Board selecting the new firm in July. Mr. Brizendine stated that the goal is to have the new contract in place prior to finalizing the budget for next year. Mr. Toborg stated that he is including language relating to the new Hillsborough County fertilization guidelines and the monitoring of the new ET system. It was stated that Ballenger & Company could be hired to handle the monitoring of the ET system should the Board desire to do that regardless of which firm wins the bid for landscaping.

TENTH ORDER OF BUSINESS

Discussion Regarding Fund Disbursement Resolutions

Mr. Earlywine reviewed the revisions that were requested be made to the fund disbursement resolution, stating that it includes a cap of \$15,000 on non-continuing expenses that can be approved by the Chairman and District Manager.

He explained that it also includes a provision for emergency situations, where the Chairman and District Manager can approve emergency expenses in the event that it is not possible to hold an emergency meeting; with those expenses being presented to the Board separately at the next meeting. Mr. Stumpf stated that the resolution covers all of the concerns that he had and made a motion to approve. The motion died for lack of a second.

Ms. Stumpf expressed concern with the approval of expenses beyond the limitations of the current disbursement guidelines and questioned why the Board would not want to set a cap on spending as it provides transparency for the residents. A lengthy discussion ensued regarding varying opinions on the need to revise the current disbursement resolution and allowing the management company to run operations based on the approved budget. It was stated that the Board spent a lot of time working on the budget to decide what items should be included and the Board does not need to micro-manage Staff when it purchases items that have been previously approved by the Board. There was some disagreement regarding whether the approved budget constitutes an approval for the actual expenditure.

ELEVENTH ORDER OF BUSINESS

Consideration of Seacrest Request for Reimbursement for Landscape Expenses

Mr. Brizendine stated that the District received an invoice from the Seacrest HOA for reimbursement of areas B, C, and D2 that were maintained by them over the past 15 months in the amount of \$26,235.08. A brief discussion ensued regarding this issue. Mr. Stumpf sought and received clarification that this is property that is believed to be owned by the District. He stated that if it is determined that the HOA was told that it was their responsibility, and in fact it was the District's responsibility, then he would like to see the reimbursement made. The board requested that this item be tabled to allow for further research on the matter.

TWELFTH ORDER OF BUSINESS

Consideration of Proposal for Pool Start Up Costs

Mr. Brizendine stated that he was provided with the proposal from Hawkins and his initial thought was that it was high based on costs from another District he manages that has an Olympic pool approximately 40 gallons smaller than the District's pool. He stated that other pool was recently resurfaced and only incurred start up costs of \$425. Mr. Brizendine stated that he has put in a call to Hawkins to discuss what is included in the proposal, but has not heard back from them. It was noted that some of the cost may be related to the fact that the pools are heated, etc.

Following a brief discussion, the Board decided to set a not-to-exceed amount rather than tabling the item until next month and allow Staff to continue to research the matter.

On a Motion by Mr. Hatcher, seconded by Mr. Ripley, with all in favor, the Board of Supervisors approved a not-to-exceed amount of \$2,420 for start up costs for the pool for Harbor Bay Community Development District.

THIRTEENTH ORDER OF BUSINESS

Further Discussion on Proposal for OTC Injections

Mr. Brizendine reviewed the proposal from Greenbriar to complete the OTC injections on the 10 palms within Seacrest on CDD property that they maintain at a cost of \$816. He stated that the cost for each palm comes out to \$17.00 and Le Te Kim is charging \$9.34. It was stated that the variance most likely relates to the economy of scale. Mr. Toborg stated that at a recent bid opening the costs ranged from \$12.50 per injection to \$75.00 per injection. A recommendation was made that Staff contact Le Te Kim regarding whether they would be willing to do the injections. A point was made that it might not be wise to have someone doing the injections that are not responsible for the palms. It was also noted that the Board was under the impression that the injections would be part of the contract given the request to have Greenbriar's contract mirror Le Te Kims' at the time the Settlement Agreement was reached..

On a Motion by Mr. Stumpf, seconded by Mr. Stone, with two in favor and three opposed (Tom Hatcher, Julie Guill and Rip Ripley, the Board of Supervisors did not approve the proposal from Greenbriar for the OTC injections for Harbor Bay Community Development District.

Mr. Ripley made a motion to authorize Mr. Toborg to ask Le Te Kim if they would be willing to complete the OTC injections on CDD property within Seacrest. The motion failed due to the lack of a second.

On a Motion by Mr. Hatcher, seconded by Ms. Guill, with all in favor, the Board of Supervisors authorized Mr. Toborg to make the decision regarding OTC injections for the palms located on lands within the Seacrest community and owned by the CDD based on his recommendations and the best pricing available for Harbor Bay Community Development District.

FOURTEENTH ORDER OF BUSINESS

Further Discussion on Ice Maker at the Outfitters

A brief discussion ensued regarding the proposal for the icemaker that was discussed at the last meeting. Mr. Brizendine stated that the cost to repair the equipment is more than it is to buy a new one. He stated that typically this type of expense would come out of building repairs and confirmed that the District has already spent \$18,628 of the \$20,000 budgeted for this type of expense. It was noted that this could be considered an amenity expense given that residents utilize the machine on a regular basis and therefore the funds could come out of their miscellaneous contingency account. Mr. Stone stated that he has requested that a lock be placed on the café unit to prevent possible health code violations.

On a Motion by Mr. Stumpf, seconded by Mr. Ripley, with all in favor, the Board of Supervisors approved the proposal to replace the ice maker at the Outfitters at a cost of \$2,342 to be funded out of the miscellaneous contingency account for Harbor Bay Community Development District.

FIFTEENTH ORDER OF BUSINESS

Review of District's Cash Flow Analysis

Mr. Brizendine briefly reviewed the cash flow report for the Board, stating that the report reflects activity through January 31, 2012. He explained that the District has collected assessments in the amount of \$2,901,627. The District has \$361,370 in the general fund account and \$1,770,246 in the investment account, with an accounts receivable balance of \$544,483. Mr. Brizendine stated that this represents current assessments as all prior year assessments have been collected. He stated that based on current spending trends the District can expect to have approximately \$423,982 remaining in the general fund account at the end of the fiscal year. However, this could change based on unforeseen expenses that could occur etc.

SIXTEENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
Mr. Earlywine stated that he had nothing new to report at this time.
- B. District Engineer
Mr. Scarola stated that the ADA project is progressing, but only in terms of signed agreements being obtained by the various vendors approved last month.
- C. Field Operation Manager
Mr. Toborg informed the Board that the fertilization program has been started up again and he has approved some proposals for landscape refurbishments. He stated that he will be proceeding with the RFP and asked that the Board contact him with any questions or comments they might have.

A request was made that Mr. Toborg look at the Royal Palms at the end of the Manns Harbor Gate. Mr. Toborg stated that he would look into them during his inspection tomorrow.
- D. District Coordinator- Kristy Owens
No report.
- E. District Manager
Mr. Brizendine stated that the District has received payment from Crossland for reimbursement of the water bills at 813 Islebay in the amount of \$3,364.56, but they have requested that a payment plan be established for 805 Islebay as that invoice was for \$11,523.38. He stated that he asked accounting to look into other areas where similar situations may have occurred and it was discovered that the irrigation lines for 5506, 5514 and 5517 Merritt Island are also in the CDD's name and he will be seeking reimbursement for those lines as well.
Mr. Brizendine stated that he submitted the application for the ad valorem tax exemption on February 22, 2012.

SEVENTEENTH ORDER OF BUSINESS

**Supervisor Requests & Audience
Comments**

Supervisor Requests

Mr. Stumpf asked that a break down of where the District stands per line item of the budget be provided at the next meeting so that the Board has a true picture of what it has left in the capital improvement and other miscellaneous accounts.

A brief discussion was held regarding issues with hogs on Manns Harbor and Midge Flies throughout the community. Mr. Brizendine stated that he has contacted Chuck Pons from Cardno Entrix regarding possible treatments for the Midge Flies including stocking the ponds etc with a species of fish that eat their larvae. He stated that the treatments are expensive.

Audience Comments

A member of the audience made unsubstantiated claims of misconduct by a Board member, alleging that he was creating segregator bias within the community and making threatening comments to residents. He was allowed to express his opinion and then asked to take his seat after the allotted 3 minute time period for comments had expired.

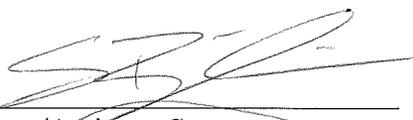
Other audience comments were entertained regarding the possibility of posting a sign by the new ice maker informing residents that it is open to the public, the condition of two Oaks trees on IbisView, the lack of mulch along Mirabay Boulevard, and the existence of numerous line items within the landscaping contract. Requests were made for information on the new owner of the Crosland Property and the status of the Sea Wall litigation.

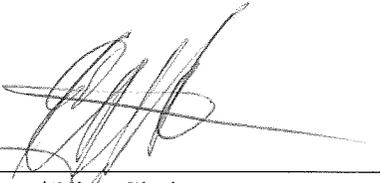
Concerns were also expressed regarding why the Board did not approve the resolution establishing spending caps and why a resident had to bring up the question of the OTC injections in Seacrest. No Board action was taken regarding any of these items.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Stone, seconded by Ms. Guill, with all in favor, the Board adjourned the meeting at 7:20 p.m. for Harbor Bay Community Development District.


Secretary/Assistant Secretary


Chairman/ Vice Chairman