

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 the Harbor Bay Community Development District was held on **Tuesday, May 20, 2008 at 6:31 p.m.**, at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572.

Present and constituting a quorum were:

Scott Jones	Board Supervisor, Chairman
Laura Ackerman	Board Supervisor, Assistant Secretary
Diana Hilton	Board Supervisor, Assistant Secretary

Also present were:

Tina Wells	District Manager, Rizzetta & Company, Inc.
Biff Craine	District Counsel, Bricklemyer Smolker & Bolves
Jamie Scarola	District Engineer, Scarola Associates Engineering Design & Land Consultants, P.A.
Jim Vrouhas	Resident Services Manager
Christy Owens	HOA Content Administrator
Audience	

FIRST ORDER OF BUSINESS

Call to Order

Ms. Wells called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

**Presentation of the Minutes of the Audit
Committee Meeting held on April 15, 2008**

Ms. Wells stated that the first item on the agenda was the presentation of the minutes of the Audit Committee Meeting held on April 15, 2008. She asked if there were any additions, deletions or corrections. There were none.

<p>On a Motion by Ms. Ackerman, seconded by Ms. Hilton, with all in favor, the Board approved the Minutes of the Audit Committee Meeting held on April 15, 2008 for Harbor Bay Community Development District.</p>
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THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board Supervisors' Meeting held on April 15, 2008

Ms. Wells stated that the next item on the agenda was the consideration of the minutes of the Board of Supervisors' Meeting held on April 15, 2008. She explained that the minutes for this meeting were not fully recorded and that some of the minutes were written from notes. Ms. Wells stated that the Board could take more time to review these minutes if needed. She asked if there were any additions, deletions or corrections. Ms. Ackerman stated that on page two "Covington Park" needs to be removed from the template. Mr. Scarola stated that on page 5, paragraph 4, he gave an estimate for dredging and the Board asked him to get a more precise budgetary number. Mr. Craine stated that on page 4, the second sentence should state that the hearings have not yet been set. Ms. Wells asked if there were any other additions, deletions or corrections. There were none. She asked for a motion to approve the minutes as amended.

On a Motion by Ms. Ackerman, seconded by Mr. Jones, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on April 15, 2008 (as amended) for Harbor Bay Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Special Meeting held on April 29, 2008

Ms. Wells stated that the next item on the agenda was the consideration of the minutes of the Special Meeting held on April 29, 2008. She stated that these minutes were from the meeting for awarding the landscape maintenance bid. Ms. Wells asked if there were any additions, deletions or corrections. Mr. Jones stated that it was an accurate summary of the meeting. Ms. Wells asked for a motion to approve.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board approved the Minutes of the Board of Supervisors' Special Meeting held on April 29, 2008 for Harbor Bay Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of the Operation and Maintenance Expenditures for May 2008

Ms. Wells stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for May 2008. She stated that the expenditures were for the period of April 1 – 30, 2008 and totaled \$177,799.86. Ms. Wells reviewed the expenditures for the Board. She asked if there were any questions. Ms. Ackerman stated that she had a question about the Capsure invoice. She asked for details of the work provided by Capsure. Mr. Vrouhas stated that the information from the proximity card has been sent to them and they have entered the data.

A brief discussion ensued regarding the services that Capsure provides. Ms. Wells stated that she would research this issue.

Ms. Ackerman stated that she had a question about the Staples invoice for marketing brochures. Ms. Wells stated that this item was on the CDD budget for this year, but that it was an HOA item and would go on the HOA budget for next year. Ms. Ackerman stated that the CDD needed a credit for this invoice. Ms. Wells stated that she would ask the HOA to pay it back. Ms. Ackerman stated that the installation and removal of the fencing for the Easter Egg Hunt was not a CDD issue. She stated that it would have been WTS programming or an HOA expense. Ms. Wells stated that she would bill the HOA. Mr. Vrouhas confirmed that it was a safety precaution and approved the installation since a Board meeting would not have taken place prior to the event. Mr. Jones stated that the payment of these items was at the Board's discretion. A brief discussion ensued regarding the District paying for HOA expenses. Ms. Wells stated that these items would be billed back to the HOA.

Ms. Ackerman stated that the fire ant irradiation at the ponds should have been included in Mr. Kim's contract. Ms. Wells stated that this invoice was from February and was not on the new contract. Ms. Ackerman stated that the District was also billed for March and should have been included in the contract. Ms. Wells stated that she would bill the March invoice back to Mr. Kim. She asked if a credit would be permissible. Ms. Ackerman stated it would. Ms. Ackerman stated that she had a few questions on Mr. Kim's invoice from December. She stated that it is difficult to substantiate landscaping invoices that are six months old. A brief discussion ensued regarding landscape billing and the District invoice process in general.

On a Motion by Mr. Jones, seconded by Ms. Hilton, with all in favor, the Board approved the Operation and Maintenance Expenditures for May 2008 (\$177,799.86), for Harbor Bay Community Development District.

Ms. Wells stated that she would need Board authorization to bill back the HOA and obtain a credit from Mr. Kim as requested. She asked for a motion.

On a Motion by Ms. Hilton, seconded by Ms. Ackerman, with all in favor, the Board authorized Ms. Wells to bill the HOA for the Staples invoice (\$450.08), the Easter fence invoice (\$600), to obtain a credit from Mr. Kim or to bill back for the March 2008 fire ant irradiation (\$1,500) and the invoice for the ponds and lake debris removal (\$2,000), and a credit for the overcharge of (\$4.00) for Harbor Bay Community Development District.

SIXTH ORDER OF BUSINESS

**Ratification of Capital Improvement
Revenue Bonds, Series 2002, Requisition
#CUS497 & #CUS498**

Ms. Wells stated that the next item on the agenda was the ratification of the Capital Improvement Bonds, Series 2002, Requisition #CUS497 in the amount of \$36,469.25 and Requisition #CUS498 in the amount of \$29,085.00. Ms. Ackerman stated that the Manns Harbor Common Area is owned by Hillsborough County and not by the District.

A discussion ensued regarding the ownership of the Manns Harbor common area. A discussion ensued regarding the Capital Improvement account and the Capital Improvement Bond process. Ms. Wells stated that she would provide a copy of the Deficit Funding Agreement to the Board.

It was stated that there was no installation of celebration sod on the street locations listed on the invoice (Sea Trout, Sea Turtle, and Tortoise Place) and the work appeared to be billed twice. The Board decided to table the ratifications of the requisitions until they had further clarification. No Board action was taken.

SEVENTH ORDER OF BUSINESS

**Presentation of Fiscal Year 2008/2009
Proposed Budget**

Ms. Wells stated that the next item on the agenda was the presentation of the Fiscal Year 2008/2009 Proposed Budget. She reviewed the proposed budget and the budget process for the Board. Ms. Wells stated that the Administrative total was \$165,975. Ms. Wells reviewed the line items of the administrative cost portion of the budget for the Board. A discussion ensued regarding the litigation fees for District Counsel and District Engineer fees. Ms. Wells asked the Board if they had any questions regarding the administrative cost portion of the budget. There were none.

Ms. Wells reviewed the field operation costs. Ms. Wells stated that they had until August to fine tune the budget numbers. A brief discussion ensued regarding landscape and irrigation costs. Mr. Scarola suggested that the dredging project soft costs be included in the budget. He stated that the dredging project would not be implemented until there was a solution to the seawall situation.

Ms. Wells distributed the HOA proposed budget to the Board for review. A brief discussion ensued regarding the HOA proposed budget. Ms. Wells reviewed the proposed O & M Assessment table for the Board. She stated that the Board is not required to adopt the proposed budget at the meeting, but could table it to the next meeting. Ms. Wells stated that she would need the Board to approve the proposed budget by June 10, 2008.

Ms. Wells stated that the proposed budget is required to be submitted to the County by June 15th and the final budget had to be in to the County by the end of August per Florida Statute. She stated that the residents will know what the assessment amounts would be when the final budget is adopted in August.

Mr. Jones recommended that the Board consider adding \$400,000 to the proposed budget, \$300,000 for District Counsel litigation, \$15,000 for District Engineer services, and \$85,000 for the dredging project permitting.

Ms. Wells stated that she would provide the Board with an updated assessment table. She reviewed the breakdown of the assessment table for the Board and the audience members. Ms. Wells stated that if they had any questions regarding their assessments that they could call the collection department at Rizzetta & Company, Inc. She stated that the proposed budget total was \$3,259,221. Ms. Wells stated that this was an increase of \$681,223. She asked the Board if they had any questions. There were none.

Ms. Wells asked for a motion to adopt the Fiscal Year 2008/2009 Proposed Budget in the amount of \$3,259,221.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board Adopted the Fiscal Year 2008/2009 Proposed Budget (\$3,259,221) (as presented and amended) for Harbor Bay Community Development District.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2008-04, Approving Fiscal Year 2008/2009 Proposed Budget and Setting the Public Hearing on the Final Budget

Ms. Wells stated that the next item on the agenda was the consideration of Resolution 2008-04, Approving the Fiscal Year 2008/2009 Proposed Budget and Setting the Public Hearing on the Final Budget. She recommended setting the public hearing in conjunction with the regular meeting on August 19, 2008.

On a Motion by Mr. Jones, seconded by Ms. Hilton, with all in favor, the Board approved Resolution 2008-04, Approving the 2008/2009 Fiscal Year Proposed Budget (\$3,259,221) and Setting the Public Hearing on the Final Budget for August 19, 2008 at 9:00 a.m. at the MiraBay Clubhouse in the Lagoon Room located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572 for Harbor Bay Community Development District.

Ms. Wells asked the Board to consider a date for the budget workshop. Mr. Jones recommended scheduling the budget workshop immediately following the regular meeting on July 15, 2008. Ms. Wells stated that the Board would need to authorize staff to advertise for the budget workshop. An audience member asked for clarification of what occurs at a budget workshop. Ms. Wells reviewed the budget workshop process.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board authorized Staff to advertise a budget workshop to be held immediately following the adjournment of the regular meeting on July 15, 2008 at 9:00 a.m. at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572 for Harbor Bay Community Development District.

Ms. Wells stated that it was currently 8:00 p.m. and that she had a request from the Chairman to adjourn the meeting at 8:30 p.m. In order to accommodate several important agenda items, she asked the Board for a motion to revise the agenda and have District Counsel and the District Engineer give their Staff reports so that they may leave the meeting and the Board could address the remaining agenda items at a continued meeting.

On a Motion by Mr. Jones, seconded by Ms. Hilton, with all in favor, the Board approved revising the meeting agenda for Harbor Bay Community Development District.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Craine stated that he had been to an information session on the pending seawall litigation and wanted to give an update. He stated that there is a deadline of June 3, 2008 to receive more discovery. Mr. Craine stated that the Case Management Conference is set for July 31, 2008. He stated that at the Case Management Conference all of the issues, such as how the case is going to be heard, and when the case is going to be heard, the discovery period, etc. will all be brought before the judge. Mr. Craine stated that the judge is Rick Neilson. He stated that the District's expert is reviewing Soil Borings. Mr. Craine stated that he had been contacted by the defendant's attorney in regard to accessing some of the property. Mr. Craine gave out his email address for anyone who might have any questions. He stated that things are progressing and hopefully by the first of August there will be an indication of how long the case will last.

Ms. Wells stated that Mr. Craine had two Quit Claim Deeds for the Board's consideration. Mr. Craine briefly reviewed the purpose of the Quit Claim Deeds for the Board. Ms. Wells asked the Board for a motion to authorize the Chairman to execute the Quick Claim Deeds pending District Counsel's review.

On a Motion by Ms. Ackerman, seconded by Ms. Hilton, with all in favor, the Board authorized the Chairman to execute the Quit Claim Deeds (pending review by District Counsel) for Harbor Bay Community Development District.

B. District Engineer

Mr. Scarola stated that last month he had brought the Board a proposal from Hecker Construction Company for T-Pond Steel Seawall Painting, but that Hecker Construction did not have USL&H insurance coverage which covers working over water.

He stated that the Hecker contract now has USL&H insurance coverage and the contract amount did not increase. Mr. Scarola reviewed the painting contract with the Board. He stated that the contract had a two year guarantee. Mr. Jones asked for clarification on the area that needed to be painted. Mr. Scarola updated the Board on the area of the wall and its condition. He stated that it is a specialized wall. Mr. Jones asked if there was a need to take care of this issue immediately. Mr. Scarola stated that he felt it was more of an aesthetic issue.

The Board discussed whether the proposal was included in the proposed budget. Ms. Wells suggested tabling this item until the continued meeting. A discussion ensued regarding whether the issue of the seawall painting could wait. Mr. Jones suggested discussing this at the budget workshop and putting it on the next regular meeting agenda after that.

Ms. Wells asked the Board if they wanted to address any of the other items on the agenda or if they wanted to continue the meeting to another date. The Board decided to go ahead and take audience comments.

TENTH ORDER OF BUSINESS

Audience Comments

Ms. Wells stated that the next item on the agenda was Audience Comments. Ms. Wells asked if there were any audience comments. Ms. Wells received a comment card from Mr. Stumpf. He asked if the landscape contract was negotiated. Ms. Wells stated that it is under negotiation now with District Counsel. An audience member asked how long the negotiation process would take. Ms. Wells stated that she thought that it would be done in the next week or two. Ms. Ackerman asked if the contract would come back for Board review before it was finalized. Ms. Wells stated that the Board had authorized Staff to proceed with it but she could bring it back to the Board for their approval.

Mr. Stumpf asked if it was possible to hold the landscape company responsible for any future damage to the monuments caused by the landscape equipment. Ms. Wells stated that a clause could be added to the contract.

Mr. Stumpf asked whether invoices for work done at Mirabay could be approved by Jim Vrouhas prior to payment. Ms. Wells stated that it could be considered.

Mr. Stumpf asked if the mangrove trimming would start in June. Ms. Wells stated that she was uncertain if the trimming would be in June. She stated that a survey was being acquired.

Mr. Stumpf asked who is responsible to authorize off-duty deputy services for the District. Ms. Wells stated that the Board considers services for off-duty patrol. A brief discussion ensued regarding cutting the off-duty deputy services back further. Ms. Wells stated that this could be discussed further at the Budget Workshop.

Mr. Greenfield, a resident asked what average hours per week are billed for legal services. Ms. Wells stated that she would research this and get back to him. She stated that the fees should be coming down and the intention is to recover all of the litigation fees.

Steve, a resident asked Mr. Jones, who is responsible for regulating the time that District Counsel and District Engineer spend on the seawall litigation. A discussion ensued regarding District Counsel and District Engineer's fees for the litigation work. Ms. Wells suggested that the residents filter their litigation questions through Mr. Vrouhas in order to help reduce the Counsel and Engineer's fees.

Steve, a resident asked how District Counsel and District Engineer became associated with the District. Ms. Wells stated that the Board selected them through a selection process. She explained the District Engineer has to go through a request for qualification procedure. Ms. Wells reviewed the selection process for District Engineer and District Counsel services.

Steve asked if there could be a process for tracking questions that were asked at previous meetings to ensure that they were followed up on. A brief discussion ensued on following up with answers on resident concerns.

ELEVENTH ORDER OF BUSINESS

Continuation

Ms. Wells asked the Board when they wanted to continue the meeting. The Board decided to continue the meeting until June 2, 2008 at 9:00 a.m. to be held at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572. She asked for a motion to continue the meeting.

On a Motion by Ms. Ackerman, seconded by Mr. Jones, with all in favor, the Board continued the Board of Supervisors' Meeting until June 2, 2008 at 9:00 a.m. to be held at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Drive, Apollo Beach, Florida 33572 for Harbor Bay Community Development District.



Secretary / Assistant Secretary



Chairman / Vice Chairman