

MINUTES OF MEETING

HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, October 29, 2009, at 6:00 p.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	Chairman
Nancy Snyder	Vice Chairman
Kerul Kassel	Supervisor
Mark LeMenager	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Steve Boyd	Engineer: Woolpert
Thomas Belieff	Dockmaster
Brenda Burgess	Moyer Management Group
Greg Gologowski	Harmony Development Company
Daniel Gough	Bio-Tech Consulting
Todd Haskett	Harmony Development Company
John Miklos	Bio-Tech Consulting
Shad Tome	Harmony Development Company
Tim Nicholson, Sr.	Luke Brothers
Residents and members of the public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Evans called the meeting to order at 6:00 p.m.

Mr. Evans called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the September 24, 2009, Meeting

Mr. Evans reviewed the minutes of the September 24, 2009, regular meeting, and asked for any additions, correction, or deletions.

Ms. Snyder stated I do not have any changes for the minutes, but in section 5 of the agenda in the email from Severn Trent, they reference Mr. Kassel and it should be Ms. Kassel.

Mr. Qualls stated on page 2 where it references the County going through the tax certificate sales process, it should reference the tax collector rather than just the County.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, approval was given to the minutes of the September 24, 2009, regular meeting, as amended.

THIRD ORDER OF BUSINESS

District Manager's Report

A. Financial Statements

Mr. Moyer reviewed the financial statements, included in the agenda package and available for public review in the District Office during normal business hours.

Mr. LeMenager stated on the general fund statement of revenues, we are significantly below collections is special assessments, off roll. Is that a timing issue?

Mr. Moyer stated yes, we have carried that consistently for a number of months and it is a timing issue.

B. Invoice Approval #114 and Check Run Summary

Mr. Moyer reviewed the invoices and check summary, which are included in the agenda package and available for public review in the District Office during normal business hours, and requested approval.

Ms. Kassel stated I presume the invoice from Home Depot was for items at the Swim Club. There were two bills totaling about \$2,500. I find the invoices very hard to read because the print is very small. It looked like we bought plants and other things to improve the Swim Club, but I do not know if that was what the entire \$2,500 was for.

Mr. Evans stated the copy I have shows a breakdown of the invoice and what those items were for, and the majority was for the Swim Club.

Ms. Kassel asked what is the Hydrocom Technologies invoice for? Is that for the watering system?

Mr. Moyer stated it is for the MAXICOM system.

Ms. Kassel asked we needed \$1,600 in repairs?

Mr. Golgowski stated yes, we had two controllers that controlled various zones on the project that were not communicating any longer. The circuit boards were replaced on both.

Ms. Kassel asked was there a warranty?

Mr. Golgowski stated yes, when they were first installed many years ago. The new ones will have a warranty.

Mr. LeMenager stated we received an email for the bill from Baker & Hostetler. Is that going to be part of this check run or for next month?

Mr. Moyer stated since we were able to get it to you, we would like you to consider it as part of this check run. If you need more time, you can defer it to give you more time to review it. It deals with the release of the blanket easement as part of the platting process that Mr. Evans and Mr. Boyd were involved in. Rather than having to recreate a lot of title work in terms of the documents related to that easement, they had that information related to prior activities of the developer, and that is why it is here for your consideration.

Mr. LeMenager stated I note that their hourly rate is \$270. We pay \$275 for Mr. vanAssenderp and \$125 for Mr. Qualls. It seems like \$270 is a very high rate.

Mr. Evans stated they are familiar with all title work and it took them far less time than it would have taken Mr. Qualls to get all that information.

Mr. LeMenager stated on the Woolpert invoice, I noted Mr. Boyd billed us for five hours for attending the August meeting. The meeting was not five hours long.

Mr. Boyd stated we have historically charged for time to prepare for the meeting and not the full amount of travel time but a portion of the travel time.

Mr. LeMenager stated it looks like we were charged two hours to prepare for the meeting and then five hours to attend, when the attorney charged us 2.13 hours for the same meeting.

Mr. Boyd stated I keep a log of my time at my office, and I am happy to share that with you. I will make the utmost effort to make sure I am accurate and fair to the CDD with the time we record. I can show you that for that particular meeting, the physical time that I spent preparing and attending the meeting exceeded the amount of time that I charged the District. I understand this Board is sensitive to that, and if there is a concern, I will provide additional documentation.

Mr. Evans stated leading up to that meeting was when we were reviewing bids for various projects.

Mr. Boyd stated that is correct; we were reviewing waterline bids and alley work.

Mr. Evans stated there were a lot of items he was working on related to the meeting.

Mr. LeMenager stated perhaps that should be put in a different line item since the meeting was not a five-hour meeting.

Mr. Boyd stated I will clarify the notes as I add comments to my time, so it does not suggest a five-hour meeting when it clearly was not five hours.

Mr. Snyder stated at our 9:00 a.m. meetings, we have coffee, and it is \$40. Most people come in with their own cup. Do we really need to be spending that money? It is a very small issue.

Mr. Evans stated I do not think so.

Ms. Burgess stated I do not know that we ever actually requested it. I think they have been providing it and billing it to us. I do not know that we have made a request one way or the other, and we can certainly modify that with the room setup.

Mr. Evans stated let us do that going forward.

On MOTION by Ms. Snyder, seconded by Ms. Kassel, with all in favor, approval was given to the invoices as presented.
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C. Public Comments/Complaints

Mr. Moyer reviewed the complaint log as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Moyer stated I was surprised to see there were no listings for the month, so I called and, in fact, there were no calls to the District office during the month.

Mr. LeMenager stated I noted everything on here was for 2008, nothing for 2009. I wonder if the calendar function went wrong somewhere.

Ms. Burgess stated I briefly saw it, also, and noticed the dates. I am not sure if something happened between emailing it from our office to the recording office. I will check on what happened and get a revised report.

Mr. LeMenager asked are there any outstanding items?

Mr. Moyer stated I am sure there are, but we need to clarify that for you.

Ms. Kassel stated we were supposed to keep completed items on this list for a few months so we could see if there are recurrences.

Mr. Moyer stated we will send you an accurate report as soon as possible; we will not wait until next month, but we did not get any new calls during the past month.

Mr. Tome stated I can confirm that is correct because I receive those emails. The things that are outstanding are what we know from a landscaping perspective or potholes and other projects we are working on.

D. Consideration of Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2009

Mr. Moyer reviewed the engagement letter with Grau & Associates to perform the audit for fiscal year 2009, in the amount of \$8,000. Last year we paid \$15,000 for the preparation of the fiscal year 2008 audit, and we budgeted a similar amount for fiscal year 2010. This current year proposal, given the amount of work the District is doing, is a very good fee.

On MOTION by Mr. LeMenager, seconded by Ms. Kassel, with all in favor, approval was given to the engagement letter with Grau & Associates to perform the audit for fiscal year 2009, in the amount of \$8,000.

E. Trust Account Investments

Mr. Moyer stated the agenda package included a memo from the financial manager for Severn Trent. I think we are moving in the right direction, but interest rates are not substantial. Keep in mind there are only one or two trustees that do CDDs, but because of the number of defaults of other bond issues, trustees are very sensitive and concerned about having funds available on May 1 and November 1 to make those payments. Since we now know with certainty that we have funds for the November 1 payment in the trust account, we will invest in the debt service reserve an amount of funds that will mature just before May 1 and the balance of the funds to mature before November 1. Having said that, the rates will not be much at 1% to 1.5%, but it is still better than what we are currently getting. The only other fund to discuss is the construction account, but since we just awarded a contract for that work, we probably will not invest that fund. I am asking for authorization for staff to invest those funds to mature in close proximity to the May 1 and November 1 payments.

Ms. Kassel moved to authorize staff to invest debt service reserve funds, as presented and discussed.
Mr. LeMenager seconded the motion.

Ms. Snyder stated the memo indicates after November 1, 2009, to invest in Treasury bills that mature April 29, 2009. Should that be April 2010?

Mr. Moyer stated yes.

Upon VOICE VOTE, with all in favor, unanimous approval was given to the above motion.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. LeMenager asked can we determine when you attend by phone or in person?

Mr. Qualls stated I feel it is very important for me to be here, just to see people and be able to read body language. You never know what issue will come up and many times, the phone connection is bad. That being said, we can work something out where occasionally I call in. It is my preference and I think it is best for me to be here. It enables me to provide a better service to the District.

Ms. Snyder stated I agree. We never know what issues will come up.

B. Engineer

Mr. Boyd stated regarding a construction update, the surveying is nearly complete for the waterline construction. We had pre-construction meetings with Toho Water Authority and with the developer and walked the whole alignment. It has been flagged, and they are supposed to start directional drilling next week. In next month's agenda, you will see the first pay application for that contract. On the alleys, the contract was not executed as quickly as I had wanted, but that has been taken care of and work will begin very shortly on the alleys.

Mr. Evans asked how long will it take for the pipe line?

Mr. Boyd stated it should go very quickly. It will probably take two months to completely finish construction, and then there will be some testing involved. It will be probably three months until the lines are open.

Mr. LeMenager stated we decided not to put in a covered walkway because of the outrageous price. Are we doing anything to create a path where this work will be?

Mr. Boyd stated it will be a directional drill under the wetland to avoid any impacts to the wetland, so you will not be able to tell there is a pipe in the ground. They are starting to stockpile various materials. They will come into the northeast corner of the Estates. There is a swath of upland area that is not a wetland where they will be burying the pipe in the ground up to the wetland on both sides, so you will see them trenching and burying pipe up until the wetland buffer.

C. Dockmaster/Field Manager

Mr. Belieff reviewed the monthly boat report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Ms. Kassel stated thank you for the pad at the dog park. It is already making a difference and people are much less uptight. Thanks for the hardware cloth around the trees; the digging has stopped, although the dogs are chewing on the pine bark nuggets. When you replace them, please make sure they are not treated with insecticide. Everything looks so much nicer.

Mr. Nicholson stated the pine bark is not treated.

Ms. Snyder asked are all the boats working?

Mr. Belieff stated yes.

D. Landscaping – Luke Brothers

Mr. Nicholson reviewed the monthly landscaping report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Ms. Kassel stated we discussed the idea of having a price to spray individual lots with chinch bugs. If we do not do that, how it will affect your sod replacements?

Mr. Nicholson stated in the past two months, many residents are getting more pest control than normal. Someone is spreading the word that they need to do something about it. Next year we will start in February before warm weather starts. Right now they are under control.

Mr. Evans stated we cannot authorize him to spray private property. When we know they are spraying, we may be able to inform the residents if they want to engage with him directly to spray at that time. They should be able to be more competitive versus a landscape company coming out for that purpose.

Mr. Nicholson stated two residents have requested us to do some landscape design and work, and I have no problem doing that, as long as it is not exotic and is within the plant palette that is approved for the community.

Mr. Evans stated if we want to inform residents that they can contact you directly when you are going to be spraying for chinch bugs, we need a way to announce for them to contact you to have their yard sprayed at the same time.

Mr. Nicholson stated I can put an advertisement in a newsletter. We will be spraying throughout the month of November because of the heat. There will be a minimum charge of \$25 or \$30 per home for us to spray.

Mr. Tome stated send it to us and we can get it out through an e-blast.

Ms. Kassel stated so many people do not get that.

Mr. Tome stated we are at 68%. We would just need to know some details, such as how to get you paid.

Mr. Evans stated there is a balance between us endorsing and informing. We have a problem in the entire community. The District can only do so much but we can try to inform them. They can select whatever company they want, but they may want to choose Luke Brothers because they have the most knowledge and constant spraying application.

Mr. Steve Berube asked what about having a cooperative advertisement in Harmony Notes?

Mr. Evans stated coordinate with Mr. Tome on what you can do for timing and sequence for this.

Mr. Haskett stated it would be beneficial for Luke Brothers to contact home owners in the affected areas. A home owner may not know they have chinch bugs, so a notice will not mean anything to them.

Mr. Berube stated we are forgetting about the empty houses. Maybe that comes under self help.

Ms. Kassel stated that is the HOA .

Mr. Haskett stated if they do not have irrigation or electricity, it will not be effective.

Ms. Snyder asked can you spray even if you do not have them on your lawn now?

Mr. Nicholson stated yes, we can certainly spray for them if you want it done.

Mr. Qualls stated I know this is understood, but nothing contemplated is that any public funds will be spent on spraying private property.

Ms. Kassel asked as CDD Board members, even if we are personally paying for it, does that constitute a conflict of interest or the appearance of something wrong?

Mr. Qualls stated this is a private arrangement between a private citizen and a corporation. As long as the same charge is being applied and no special favors are incurred, there is no issue.

Mr. Evans stated we will let Mr. Nicholson and Mr. Tome work out the notification details.

Mr. Nicholson stated I redid the proposal that Ms. LeMenager and Ms. Kassel and I have worked on, which I provided to the Board for your review.

Mr. LeMenager asked when do we need to start this program?

Mr. Nicholson stated whenever you are ready.

Ms. Kassel asked do we want time to review it since we just received it?

Mr. Evans stated yes, I think we want some time to review it.

Ms. Kassel stated it is the same thing we saw last month, but Ms. LeMenager and I made some adjustments in terms of plant materials, and we have added a few plant beds that were not included in Long Park.

Mr. LeMenager stated it looks like there are 67 areas where we want to replace plantings.

Mr. Nicholson stated yes, we will be transplanting and shuffling the plant materials, based on the health of the plants.

E. Developer

Mr. Haskett stated we received the drinking fountain and it will be installed by Monday or Tuesday. We made sure we had all the parts and will be an easy install. Regarding a security gate for the dock area, I am working on a design that I will send to a couple manufacturers. I cannot find anything on the internet or something local off the shelf. I think the cost will be reasonable, about \$3000 or less is what I am estimating, which is cheaper than repairing the boats every month. I should have a report next month.

Mr. LeMenager stated we were out for a walk recently, and there appeared to be construction where the boats are.

Mr. Haskett stated Mr. Belieff has been straightening up pilings on the floating dock that boats rest against. They are getting loose and Mr. Belieff is experienced in repairing pilings.

F. Aquatic Plant

Mr. Miklos introduced his staff and described the activities for aquatic plant maintenance that started October 1, 2009.

Mr. Miklos stated we are trying to use fewer herbicides and chemicals, and we are doing a lot of hand removal to maintain a natural look while reducing the use of herbicides. We will be providing weekly management reports to Mr. Golgowski.

Mr. Evans stated a number of months ago, there was an issue on one of the ponds, a dead end section with a film on top. I recall it was the decomposition of duck weed that had accumulated.

Mr. Golgowski stated that is spike rush, and we are organizing some strategies to get rid of it or reduce it.

Mr. Evans asked what is the film? It has the appearance of an oily substance on top of the water. Does it generate that?

Mr. Gough stated we have seen this in several of the ponds. It is a planktonic algae, and it looks like a film. It is actually a thin layer of algae that that looks like an oil film and it moves with the wind and gets into pockets. That is typically what we have seen in just three or four ponds. We have been treating and taking care of that.

Mr. Leeman asked have you noticed any difference in the ponds that have a lot of plantings around them as opposed to the ones that have none?

Mr. Gough stated yes.

Mr. Leeman asked is that a positive difference or a negative difference?

Mr. Gough stated it is a positive difference with the plantings. It helps to cycle the nutrients to keep a natural balance in the ponds. There are only one or two with no littoral zone, and that may be something we recommend to plant those ponds to get that natural nutrient cycling and get everything back to a natural state.

Mr. Miklos stated once we have been out here a month or two and become more familiar, we will bring some recommendations to the Board.

FIFTH ORDER OF BUSINESS

Supervisor Requests

Ms. Snyder stated I want to point out that there are about the same number of people here tonight who are normally here for a morning meeting.

Mr. Berube stated part of that may be because no one knew about the meeting.

Ms. Kassel stated there were no signs up.

Mr. LeMenager stated we did not get our blast email.

Ms. Kassel asked can we address that issue and find out what happened to the signs?

Mr. Berube asked is it safe to presume that the schedule on website will stay? We use that for notification of these meetings.

Mr. Evans stated not necessarily, because if it needs to be adjusted, it may change. This should be pretty consistent, though.

Ms. Kassel asked what happened to the signs? Did the policy change or was it an oversight?

Mr. Tome stated the process that is in place is one person who tells another person and it works its way down to the activity director who is not HOA or CDD but just does

it, but this month it was forgotten. If there is another method where they can be put out, we would prefer that because this task is not assigned to anyone.

Mr. Belieff stated I am happy to put out the signs a few days ahead of the meeting.

Mr. Haskett stated we could come up with two generic signs to cover morning and evening meetings.

Mr. LeMenager stated the main locations are at the circles where everyone comes in.

SIXTH ORDER OF BUSINESS

Audience Comments

A resident asked why we are lighting the Estates at Harmony at night?

Mr. Evans stated when the District enters into contracts with OUC for the street lights, we lease those lights. Part of the contract is for the poles and for the power so it is all combined. Part of it is how they amortize that cost. It is all one contract, so there is not a separate bill for the amortization of the poles. Once they put them up, they turn them on. It also helps with vandalism to the extent that it can.

Mr. LeMenager stated if the lights were off, the people who will save money is OUC.

Ms. Kassel stated energy use is another consideration, but we have to weigh the energy use against the safety issues.

Mr. Berube stated a lot of things happen, including people shooting guns at deer in the morning. The sheriff was out here a couple weeks ago. They were acting like a surveyor. The sheriff ran them off so apparently it was not illegal.

Mr. Evans stated yes, it is. Trespassing with a firearm on private property in a construction area is an automatic seven years.

Ms. Kassel asked do signs need to be posted?

Mr. Evans stated there are signs posted.

Mr. Berube stated the construction signs are gone. There is not a no trespassing sign before the Estates. They have not been back, so they got the message.

Ms. Kassel stated I wonder if we need signs for enforceability, not just for this instance but in any other situation where a sign has to be posted regarding any kind of misconduct on that property.

Mr. Evans stated if you are hunting on private property without written permission from the landowner of your right to be on that property, that is poaching. They should have been arrested.

Mr. Berube stated I agree and I did not see the interaction. It happened around the 14th, but they have been gone and have not been back. That is the important thing.

Ms. Kassel stated my point about the no trespassing sign was not just about poaching but anyone doing something they should not be doing. Do we need a no trespassing sign to enforce any of that?

Mr. Evans stated these are public roads and they can ride back in there but they cannot be on a designated construction site. I thought the signs were still posted. They cannot walk or drink on private property without the written permission of that owner. The developer owns the lots, the District owns the area between the sidewalk and the street, and the County owns the roads.

SEVENTH ORDER OF BUSINESS

Adjournment

The meeting adjourned at 6:50 p.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman