

# **MINUTES OF MEETING HARMONY COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, January 31, 2013, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Supervisor
Kerul Kassel	Supervisor
Mark LeMenager	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Jon Avance	Bio-Tech Consulting
Greg Golgowski	Harmony Development Company
Bob Koncar	Severn Trent Services
Todd Haskett	Harmony Development Company
Brock Nicholas	Harmony Development Company
Garth Rinard	Davey Commercial Grounds
Residents and members of the public	

## **FIRST ORDER OF BUSINESS**

### **Roll Call**

Mr. Berube called the meeting to order at 9:00 a.m.

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

## **SECOND ORDER OF BUSINESS**

### **Approval of the Minutes of the December 20, 2012, Regular Meeting**

Mr. Berube reviewed the minutes of the December 20, 2012, regular meeting and requested any additions, corrections, notations, or deletions.

Ms. Kassel stated I have a question on page 2 on the “can lighters.” I am not sure what those are.

Mr. Berube stated page 2, first paragraph, fifth line should read, “We have always received the gloves and the can liners from Mr. Bill Fife.”

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to the minutes of the December 20, 2012, regular meeting, as amended.

**THIRD ORDER OF BUSINESS**

**Audience Comments**

There being none, the next order of business followed.

**FOURTH ORDER OF BUSINESS**

**Subcontractor Reports**

**A. Aquatic Plant Maintenance – Bio-Tech Consulting**

**i. Monthly Highlight Report**

Mr. Avance reviewed the monthly aquatic plant maintenance report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Avance stated we just treated the golf course ponds for torpedo grass and primrose, as well as a little bit of algae in Pond 18. I will go back and spray for the algae again. Due to the wind, I could not reach the whole pond. Other than that, everything looks good. I just need to double-check the ponds, and next month we will treat the 10 ponds that are done quarterly.

Mr. Berube stated Long Pond is where the bridges just went in and has the long walkway. There is a floating mat around the whole edge of the pond. It looks like algae but it is really not because it has roots. Is that invasive or normal or natural?

Mr. Avance stated it depends. It could be torpedo grass. Sometimes when the lily pads come up and we kill them, the roots from underneath will float to the surface. I will look at it. Is there anything still growing on it? Or is it just a big floating mat?

Mr. Berube stated there is dollar weed coming out of it. There is material that is coming through.

Ms. Kassel stated it is green.

Mr. Golgowski stated what I have seen is bladderwort or spikerush, which has been in every pond since the beginning. We have been fighting those for years. Sometimes we are successful, and sometimes it comes back.

Mr. Avance stated spikerush is very hard to manage.

Mr. Berube asked is this something that needs special attention?

Mr. Golgowski stated it needs to be kept after. I do not know if the carp will do anything to control it.

Mr. Avance stated the carp will eat it, although spikerush is at the bottom of their menu. I can look at it and see if it looks like it needs to be sprayed. We can always try to drag the mat out of the water altogether. If it is like a floating island with grass on it, many times I can spray it and it will sink back to the bottom.

Mr. Berube stated the reason I asked if it was invasive is because now you can stand on the bridges and look into the water. At the edges of that mat are a lot of baby fish. They seem to like that mat, probably to hide.

Mr. Avance stated if the mat is floating, the fish are probably hiding underneath it and eating the roots.

Mr. Berube stated there appears to be a positive as well as a negative impact.

Mr. Avance stated I will look at it today and see if there is something I can do with it. I will include it on my report for this week.

Mr. Berube stated it is not necessarily something negative.

Mr. Avance stated I totally understand, and I will look at it.

## **B. Landscaping – Davey Commercial Grounds Management**

### **i. Monthly Highlight Report**

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

Mr. Rinard stated I was not at last month's meeting, so there are a few things I would like to mention. There have been a number of things going on throughout the property in preparing for Dark Sky, the holidays and through this month. The weather during this wintertime has been warmer than it has been cold. Over the next few days, we will see the reverse of that. A year ago, spring came early. While I cannot necessarily pinpoint when it will happen, I believe we will see something similar this year. For fertilization, we have already started our conversations with our manufacturers. We are looking to start fertilization a little early to make sure we are not behind when spring does come. If you noticed the way the weather has gone, you will see the turf is growing faster than it normally does this time of year. Trees and other plant material are flushing out right now because they are confused in what is happening with the weather and the temperatures. Everything that we are seeing and noting indicates that spring will be sooner rather than later. We changed out the annuals the first of the year pursuant to the schedule. Mulching is ongoing. We changed from pine bark and are transitioning to natural ground cover.

Mr. LeMenager stated I was not aware that it would smell so bad.

Mr. Rinard stated I was going to ask what feedback you have received on the new mulch.

Mr. LeMenager stated it looks great but it smells.

Mr. Rinard stated the odor from the initial installation is one factor. Manufacturers have not figured out how to change that. After a few days once it has settled in, the odor dies back. I anticipated some comments regarding the odor. As far as the color, texture and overall look, what do you think?

Mr. LeMenager stated it looks nice.

Mr. Berube stated it looks good, and dogs like to dig in it, for whatever reason.

Ms. Kassel stated that is a problem.

Mr. Berube stated mine does it and it might be because of the odor. I have noticed a number of dogs like to get in there and dig.

Ms. Kassel stated I am sure it is the smell.

Mr. Rinard stated I agree. I will be sure to get some feedback in that regard. Mulching should be complete in January pursuant to the schedule. We got a little bit of a late start and delay because of the manufacturing process. We traded that out for pulling some of the excess pine bark, which is still ongoing in areas.

Mr. Berube stated I do not see that as an issue. We know you got started late.

Mr. Rinard stated we will definitely be complete by the end of February, but I am thinking it will take two weeks, three at the most. For all intents and purposes, the east entrance is being wrapped up today up to the Square. From the Square west down Five Oaks Drive and Cat Brier, there are still some areas on Cat Brier to finish out the bedding areas that were somewhat removed from the street side. The dog park in that area is partially complete, and it will be complete by tomorrow afternoon. As we go down to Lakeshore from the turnabout at Lakeshore Park and down Schoolhouse Road out to the west entry, tree rings and bedding areas will be done. The bedding and tree well areas on Five Oaks Drive between the two turnabouts at Cat Brier and Schoolhouse are complete. The west entry is complete up to the entrance. We will continue up to the Estates and shift into the neighborhood parks. Lastly, we will finish on U.S. 192. For tree pruning, we have been able to get some elevation work done. We have not progressed as far as we would have hoped, but that work continues. After this preparation for Dark Sky, we will

be able to put some concerted efforts into the tree work and get that project moving forward quickly.

Ms. Kassel stated one thing I have noticed recently is tire depressions between the sidewalk and the curb all over the property. I do not remember having seen them in the past.

Mr. Rinard stated we have recognized that, especially on east Five Oaks Drive. We already started changing some mower sizes and patterns to try to offset that, which is occurring because of the repetition of the mowers running similar patterns. I have not quite solved it, but I am cognizant of it and am addressing it. I think when we get into the growing season and activities are happening on a weekly basis and the grass is recovering a little faster, the offset from the change in patterns will improve those areas. Additionally with that, the crews in the carts have to be cognizant not to repeat the same runs and routes as they work through the property. We will make sure they understand that.

Ms. Kassel stated I have noticed it all along Schoolhouse Road and Cat Brier, pretty much the whole length.

Mr. Berube stated the reality is that there is one easy way to mow the grass, and the person sitting on the mower will tend to take the easy way.

Mr. Rinard stated yes, they will take the path of least resistance.

Mr. Berube stated the easy way is the one that shows up over and over again.

## **ii. Lakeshore Roundabout**

Ms. Kassel stated I have a question about the plant material that was supposed to go at the west entrance and also what is happening with the circle.

Mr. Rinard stated this is one of the items I was going to raise at this meeting since they are both related. At the November meeting, I mentioned that I rejected the butterfly bush material we received from our vendor because I was not happy with the quality. Coming into the cooler months with the characteristic of that plant, we put that on hold. We are still in that same scenario. We are really not going to see any good plant material coming out until the spring flush. By the same token, the west entry is what it is. There is an opening, which is the final piece for that area. As I was driving the property a few days ago, something struck me that I discussed with Mr. Haskett that I wanted to discuss with the Board this morning about the proposal we provided for landscaping Lakeshore circle. The section of open bedding area that faces Cat Brier now originally had society

garlic in it. We came on property in August, and at that time in that circle, the bedding area was taken over by torpedo grass. The turf in that area had chinch bug damage. If you look at it today, it is much improved. The society garlic was removed because of what we had to do for torpedo grass control, and the turf has made some recovery. In my thinking and what I wanted to offer to the Board is an alternative to the proposal we provided for about \$7,900 for that landscaping project. Throughout the community and neighborhood park areas, there are empty bed spaces. With the way the Lakeshore circle has improved, why spend that money in that circle but instead use it in park areas and spread it throughout the community. I think it will make that money more useful. We can take a portion of that money for the open bed space and do one of two things. We can put another groundcover or plant material in there, or we sod it and reduce the bedding area. I have not progressed in thinking beyond those two options at this point. On the surface, I would suggest we move the \$7,900 somewhere else.

Ms. Kassel stated I was going to propose that very thing at this meeting.

Mr. LeMenager stated I was the only person who voted against landscaping the circle, and I am in complete agreement with Mr. Rinard.

Mr. Berube stated I noticed the circle was spruced up nicely and thought it was not bad.

Ms. Kassel stated it does not mean we will do nothing there because we can do a little something, but it does not need to be that kind of intensive project, especially when I drive and walk down Cat Brier and see the condition of Long Park landscaping, which has deteriorated over the years. It needs some help.

Mr. Berube stated so it sounds like we are voiding the original proposal for \$7,900 for landscaping the Lakeshore circle. That proposal had nothing to do with the west entrance.

Mr. Rinard stated that is correct.

Mr. Berube stated the only combination was using the butterfly bush.

Mr. Rinard stated that is correct.

Mr. Berube stated next month, Mr. Rinard can provide a plan for doing something in the open bed areas.

Mr. Walls stated I agree with Ms. Kassel's comments, maybe do something to spruce up the roundabout a little and spend a portion of the money on that circle.

Mr. Rinard stated you have the open bed space to deal with that we can address if everyone is fine with the existing material that is in there, which is zinnias. We can either reduce the bed space with turf or an alternate type of plant material to fill the space.

Ms. Kassel stated I would be happy to meet with Mr. Rinard to discuss plant materials.

Mr. Berube stated just because the proposal was \$7,900, do not feel limited to that. If it will take \$9,000 or \$10,000 to do a general sprucing up, present your proposal.

Mr. Rinard stated we already have a rough idea and have reviewed individual locations for plant counts and gaps and holes. We will review that and make sure we have covered all the areas. I think we focused on the pocket parks in the neighborhoods and not so much Cat Brier and those areas.

Ms. Kassel stated we can drive around after the meeting and I can point out the areas to which I am referring .

Mr. Berube stated I think we are all in agreement on this. There are a lot of areas with brown mulch. Some sort of color is what we all want.

Ms. Kassel stated we want plant material of some kind.

Mr. Berube stated that is correct. Big expanses of brown mulch are not what we want. It looks pretty when it is fresh.

Mr. Rinard stated it struck me that you could spend that money better in other places.

Mr. Berube stated it is a good idea.

### **iii. U.S. 192 Median**

Mr. Walls stated I have something perhaps Mr. Rinard can think about. The median on U.S. 192 at the west entrance where plant material was installed on either side, I wonder if you would think about a border around those planting areas or something better than how it is now. There are a lot of weeds that grow up into the materials that were planted through the mulch and it looks a bit ratty. I do not know if you can border that off or do something.

Mr. Rinard stated I will look into ways of keeping that curb area cleaner.

### **iv. Tree Transplanting**

Mr. Rinard stated the palm trees that we transplanted look like they are coming in and will be fine. In addition to that, I will be talking with Mr. Haskett and Mr. Golgowski about the four or five oak trees in the U.S. 192 right-of-way that we discussed to relocate somewhere on property. We will be looking to do something with those.

Ms. Kassel asked how tall are they?

Mr. Rinard stated maybe 15 or 18 feet. They are six-inch to eight-inch caliper trees. It was part of the overall consideration of the work that was needed for the U.S. 192 right-of-way clearing. It was not part of the west entry work. We were holding the oak trees to do until this time of year since it is a little more conducive to their transplanting.

Mr. Berube stated if you are going to move some trees around, some could go alongside the school on Cupseed. There are at least three that need to be replaced. There might be some mixed trees there since I think those might be live oaks. If we are going to move trees, this might be a good time to replace at least three on Cupseed. One is a stump and one has new plant material growing on it. Perhaps we can use some of the palm trees, I do not know. Mr. Rinard can coordinate that with Mr. Haskett. Since we are doing some work at the school, we might as well have trees that look good.

**v. Landscaping at Lakeshore Park**

Ms. Kassel asked for the landscaping that will be installed at the new Lakeshore Park facility, will Davey be installing and maintaining it? That area is not irrigated, so how are we going to ensure that the plant material that is installed is maintained over time, not just right after it is planted. Are we making sure the plant material we are using is drought tolerant? Will we make sure it does not die over time because it is not irrigated?

Mr. Nicholas stated we can tie irrigation into that area. It depends on the selection of plant material. We have had a lot of ideas on what ultimately will go there. The lumber cost ran a lot higher than the budget originally was, so we are in the process of making sure we have adequate materials. Whatever we plant will survive, and we will have a plan to make sure it survives.

Mr. Berube stated it appears that there is irrigation along that strip because there are what appear to be valve boxes. If we need to install irrigation, we have someone who can do that.

Mr. Haskett stated when we plan the system at Lakeshore Park for the additional phases, there are wires and a mainline that terminate by the sun dial across from Ms. Kassel's house. We can just add it to there and run it on an existing clock. We have pipe, fittings and heads. When we get to that point of knowing there will be substantial landscaping in there, we can address it then.

Ms. Kassel asked is it possible that if we pull material from elsewhere in the process of refurbishing that is still usable, can we use some of that material at Lakeshore Park

instead of buying new material? There is not a lot of landscaping that is planted there, just a few bushes and trees here and there.

Mr. Berube stated those things tend to have a habit of growing as you look at what goes on. We always tend to modify our initial proposals. I expect this will happen with the landscaping, also.

Ms. Kassel asked will there be built-in benches on both of the decks?

Mr. Nicholas stated that was not in the original scope. We discussed it, which is related to the material discussion. If we have enough material onsite that we can create those, we will definitely do it. There were some other benches we were going to do outside the decks on some of the pads around the general area. I can discuss this project further under the developer's report.

#### **vi. Tree Pruning**

Mr. Farnsworth stated I understood Mr. Rinard to say that they were not complete with tree pruning.

Mr. Rinard stated that is correct.

Mr. Farnsworth stated some of the canopies still need to be trimmed.

Mr. Rinard stated that is correct.

Mr. Haskett stated they started at Town Square and some of those areas.

Mr. Rinard stated that is correct that we have started some pruning, but it is not where I expected it would be at this point in time. After we complete the Dark Sky preparation this week, our efforts will be increased on that activity.

### **C. Dockmaster/Field Manager**

#### **i. Dock and Maintenance Activities Report**

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

Mr. Haskett stated irrigation is going a little slowly right now, but we are still having cooler weather and there are not too many issues in the field. There is a little vandalism here and there that has been reported to us, including an OUC transformer and things like that. Those have been repaired and corrected.

Mr. Farnsworth asked were the cameras helpful for any of those incidents?

Mr. Haskett stated no, they were not in that particular area. We keep moving them around. I do not know if it is due to the cameras or if people got the hint, but the damage

we have seen in the past has not been occurring. The kids seem to know the cameras are out there. When we move them around, we see them looking in different areas. They know it is being watched.

Ms. Kassel stated one of the kids who may have been responsible for much of the previous damage was caught opening someone's mailbox on Brackenfern that had a sensor in it. The person then went out to the mailbox when it occurred, about 6:30 p.m. They saw who it was and called the sheriff. The sheriff came out. I do not know if any arrests were made, but I think the kid was talked to and admitted it. Hopefully there will be less of that kind of thing in the future. It is the same kid who was responsible for what happened at Lakeshore Park at the bathrooms.

Mr. Berube stated there seems to be one ring leader since his name keeps coming up. The mailbox capture was the culmination.

Ms. Kassel stated this was the second catch where the sheriff was involved.

#### **ii. Buck Lake Boat Use Report**

Mr. Haskett 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.

Mr. Haskett stated it seems that boat usage has increased. I have done a few of the boat orientations. The last one we did was on the 12<sup>th</sup> with ten people who attended. That was good to see. I am happy to say that more people are using the sailboat, which was nice to see out on the lake. It is used once or twice a week now, which is encouraging.

Mr. Berube asked is someone on staff, including Mr. Haskett, familiar with how to set up and operate the sailboat? If someone asks how to operate the sailboat, do we have someone who is confident in their abilities to demonstrate that?

Mr. Haskett stated yes. I would not say any of the staff are sailors, but they can get you out there and back.

Mr. Golgowski stated I believe we are also going to offer some sailing classes.

Mr. Haskett stated that is correct.

Mr. Berube stated we have the sailboat, so we need to be able to show people how to use it.

Mr. Haskett stated we have been discussing this for about a month to get that program going.

#### **iii. Staff Schedules and Boating Reservations**

Mr. Haskett stated Mr. Paul Calabro is off typically on Tuesday and Wednesday, and Mr. Rick Druckenmiller is here Monday through Friday. We try to get all the heavy maintenance work done during the week, and Mr. Calabro handles the boats on the weekends with Mr. Druckenmiller filling in as needed. We found that there are a few residents we have had to explain that during the week, boats are not available without a reservation. That throws the schedule off and it is hard to get anything accomplished when you have three or four boats coming and going throughout the day. On weekends, Mr. Calabro has the reservation list and if anyone wants a boat at the last minute, he will try to accommodate them, which he has been doing at least two or three times a day each day on weekends for the past month. There are a few residents who are common users who were a little upset, but I think they understood we need this process right now. During the week, Ms. Rosemary Tschinkel is also available to take reservations and facilitate the system that has been in place for years. It should not come as a surprise to some people.

Mr. Berube stated with any kind of luck, we will have a third staff member shortly.

Ms. Kassel asked will that change the circumstances?

Mr. Haskett stated yes, it certainly will. We will need to figure out schedules during the summer when boating hours are longer, but residents will be more accommodated.

Mr. Walls stated Mr. Calabro has done a really good job handling the boat reservations when I have been down there. He is really good with the kids.

Mr. Haskett stated Mr. Calabro is very good at calling people and making sure they are attended to, and both staff members do a good job.

#### **iv. Field Management**

Mr. Berube stated I noticed Mr. Haskett's email commentary about the projects we asked him to handle. I appreciate that Mr. Haskett is busy. I want to bring to the attention of the Board that we have discussed in the past about relieving Mr. Haskett of some of his load. He has been doubled up lately needing to handle the boats since we are short staffed. As we have alluded to in the past, we need to become more self-sufficient. Mr. Haskett will be busier all the time, and we lean on him a lot because no one else will do it. Perhaps in the next budget year, we should consider some way of bringing more of the burden that he handles now under our umbrella. I think at the very least, we probably need some sort of manager/worker. I think it would be nice if he had a small office

somewhere. I do not know if the development company has any office space that we could rent.

Mr. Nicholas stated I think that is a fair point. Mr. Haskett serves as a stop-gap a lot of times when we do not have anywhere else to go for things, like riding around and picking up materials and looking after the staff. Those are active management activities, and I think at some point as the community grows, we need to think about how to sustain the things that we have said that we do, like the boats. It is fine if we do not have any major projects going on, but we are seeing an increase in activity. Our teams here are always integrated and helping. We serve as consultants for the Board and the District Manager. If we have nine projects, and eight of them have a lot of capital invested in them and one has to do with removing marks on the boat ramp, Mr. Haskett has to prioritize that list. I do not want any unfair criticism to come back toward Mr. Haskett if we are in one of those cycles, which we seem to be right now. We are trying to open the commercial center, and some houses are under construction. There are a couple things we are dealing with in that regard that should be completed shortly. Everyone is happy to fill in, but I think when there is too much to do, some things spill over. We should think about that. The response cannot always be to call Ms. Tschinkel or someone in Celebration. There needs to be some active management onsite as a fall back plan.

Mr. Berube stated it is not a criticism of Mr. Haskett, and I understand he is very busy. If you look around, you can see there is plenty going on. We have alluded to this idea before of getting more things under our umbrella. Mr. Haskett will still be a strong liaison because of his experience and other knowledge that is needed. But the mundane things of calling suppliers and ordering materials and getting quotes on pool furniture can be done by someone else. It takes a lot of time.

Mr. Nicholas stated Mr. Haskett enjoys it and he is very detailed about it. I do not mean to pull any of that away, but certainly, it is something to think about as we move into busier times.

Ms. Kassel asked how does Mr. Haskett feel about this and the timing of it? Is it also something that is cyclical and we simply need to be patient when there is something major going on? When it cycles down, then will Mr. Haskett be available more? How soon do we need to start thinking about this, in the next fiscal year or in two years?

Mr. Haskett stated it would be a position where the person needs a lot of on-the-job training, so you would need to plan for that. It will not be learned overnight or in a few months. It will take quite a while, but at any point, you can consider it in the budget. You also need to think about the utilities, phone, cable, computers, and all those things that we provide with the service that I am providing. There will be some expense to it. It is not just adding on another person, since there is a little more to it than that.

Mr. Farnsworth asked will this be a fourth person?

Mr. Berube stated it almost has to be. I think we need an office space. We already provide cell phones, and everyone can live with a cell phone nowadays. It would be nice for someone to have a desk to prepare proposals or meet with suppliers. I think that would entail an internet connection and more than likely a small pickup truck. We have some vehicles that we own, including some mules, and every now and then, they need to be hauled to town for service or used to pick up various supplies at Home Depot. Currently we are paying an employee to use his own vehicle. I think sometimes, as this community grows, there might be a need internally for a small pickup truck. I do not think it is out of the range. It does not necessarily have to be new, but it needs to be a vehicle that is tagged and used here by our employee. We would then have four employees, and it would also eliminate the risk of having one of their vehicles out on the road on company time. I have a rough plan in mind, and my thought is when we start the budget process in three or four months, we ought to look at doing this. The development company activities will not get any slower. It is going to stay busy, and our constituent base is growing with more people moving here. There will be more buildings going up in Town Center as well as more new homes. It is time we spring ahead. When you look at a lot of the things that can come more in-house, such as painting buildings, if we have staff on hand available to do it, we can eliminate a certain number of outside suppliers. It will not be budget neutral, but it might not be as big of an impact to the budget as we might otherwise think. I wanted to raise this issue and let everyone know my thoughts. I see a lot of heads shaking in the affirmative, so it looks like we are all in agreement. I will work on this more and provide some numbers.

**FIFTH ORDER OF BUSINESS**

**Developer's Report**

**A. Lakeshore Park Project**

Mr. Nicholas stated we are nearing the end of the structural part of this project. The concrete has been complete for some time. We will get ready to call the District engineer and ask him to verify the structures and make sure he approves and signs off on them. Mr. Golgowski reminded me that there is a bench swing at the far end of the east boardwalk that has to be delivered. There is also one bench at the west end of the boardwalk. The bump outs did not contemplate any of those stopping points, but there is one at the end. We have some inspections to do with the engineer, and we need to make sure the quality control is in order with the actual work. We are in the process of finalizing the funds and reviewing the punch list and the final landscaping. Perhaps in a month, we can have a conversation about beginning to turn over the project to the District.

**B. Model Homes**

Mr. Nicholas stated when we have a model on a main street, once upon a time, the builder took it upon himself to make some adjustments to the landscaped area between the curb and the sidewalk in order to make the path a little more reasonable for curb parking in front of the home. That was met with some resistance, and it might have been the way it was done then and it was not requested, but we are in a situation now where we have a model home on Schoolhouse Road. David Weekley is the builder. There is St. Augustine in the tract between the curb and the sidewalk. St. Augustine is not really a turf that is set up to handle foot traffic very well. There is really no other way to walk to that home other than through the turf unless you go to the corner or go to the back. We would like permission to lay some decorative pavers to connect the sidewalk to the curb. It would not include any landscape material, just some hardscape that we can undo and replant St. Augustine when we are done with the model home and it is conveyed to a home owner.

Mr. LeMenager stated I think it sounds great.

Mr. Berube stated I think it is a positive thing because you will not have beat-up St. Augustine. Anytime you have a model home like that where it makes sense, you should do it.

Mr. LeMenager stated one resident has done it anyway.

Mr. Berube stated I do not see any problem with it.

Mr. Nicholas stated it will save the landscape and keep mud out of the house.

**C. Harmony Community School Landscaping**

Mr. Nicholas stated we had conversations at other meetings about landscaping at the Community School. I have some thoughts and I hope the Board members have also been collecting information. I have an exhibit that shows the school property. The yellow property is land that the CDD owns and currently maintains at the boundary of the Community School. The yellow line is the property boundary. It is within the scope of services for Davey to maintain. The areas in blue are the high-visibility areas that we have been discussing that fall between the edge of the CDD ownership boundary and not quite all the way into school property but on the edge. Birchwood Acres donated this site to the School District to build a facility. It was in the middle of an already-populated neighborhood that was already planned and developed. For the most part, the process was that we took the normal CDD buffer that exists everywhere in all the neighborhoods and donated the land inside of it. Then we, in conjunction with the School District, planned and designed the civil work and the building for the prototype school. We do not donate schools every year. For Harmony, this was a one-time major event. If you look at the CDD boundary everywhere else in the neighborhood, we prescribe a code that builders have to follow with setbacks and the way they need to build the home and the building pad in relation to that boundary. We do not really have a code for schools and donated property like this since it was a one-time event for us to do. Had we done it in a little bit different sequence from the beginning, we might have asked the School District to design their school on a CADD file with our piece of land. Then we would have looked at the hardscape, the drive aisles, the curb lines, and all the proposed features of the building. We would have then drawn some irregular shape on the boundary and left that as the CDD boundary and donated everything else to the school. It did not happen that way; we just drew a straight line and donated the land inside of it. There are a couple areas that are sort of in the middle. The reason why we are focused on it now is because the quality of landscaping has been a concern. The material was installed five years ago and it is expiring.

Mr. LeMenager asked would the School District give it back to us?

Mr. Nicholas stated that is one solution, but I want to let you know about the work that has been done since the last meeting. We recognize that the landscape materials are expiring. We are going to make an investment to get the landscape that is there back to its

installation grade. We will spend that money through Davey and they will do that work. Davey has also volunteered to absorb the maintenance of that material that they are going to install through the end of this fiscal year. That gives us between now and then to decide what happens on October 1, 2013. I do not want to saddle Davey with that responsibility if there is no chance that this Board will (1) assume some responsibility for that work going forward on a landscape easement basis, or (2) allow me to engage with the School District attorneys to discuss them quit-claim deeding that property back to us.

Mr. LeMenager stated I think that sounds like a wonderful idea. It makes the whole inter-governmental cooperation problem go away. What a great way of thinking outside the box.

Mr. Farnsworth asked are we talking about these two blue areas?

Mr. Nicholas stated yes.

Mr. LeMenager stated to me, those fit the definition of a park. I like it.

Mr. Berube stated I realize we do not govern by public opinion, but there was some public opinion shared on a couple of the chat groups. It seemed to me that the overwhelming number of people who joined in the chat said not to maintain it if it is not our land.

Mr. LeMenager stated that is exactly what they said.

Mr. Berube stated I think if it does come back to us, whether it is ours or not, I think we will probably agree to follow it up. But at least we do not set a precedent of spending public money on someone else's property, whether it is public property or not. If that comes back on a quit-claim deed and becomes CDD property, I do not see any issue at all.

Mr. LeMenager stated I agree.

Mr. Farnsworth asked are we currently irrigating the yellow area?

Mr. Nicholas stated yes.

Mr. Farnsworth asked then we would take over the irrigation on the blue area?

Mr. Nicholas stated yes.

Mr. Qualls stated I think you have three really good choices in front of you and a lot of time to contemplate those choices. I think it is a policy decision if you want to take the option of having a quit-claim deed or however you want to do a transfer. I have also looked at the interlocal agreement, and I think it is a more viable option than I have

articulated. I looked at the Statute, and it is all about economies of scale. If it makes more sense for the CDD to get together with the school because there will be overall savings or overall benefits, and if each entity is doing what it does best to create economies of scale, then what the CDD does best is maintain infrastructure, such as landscaping. The overall quality will increase and the overall cost to keep that quality would decrease, so that fits precisely within Chapter 163, Florida Statutes. The third option is to do nothing. After thinking about it more and after talking about it with Mr. Kenza vanAssenderp, I wanted to soften some of the things that I said in previous meetings. I studied Chapter 163, Florida Statutes, which deals with interlocal agreements, a little more thoroughly.

Mr. Walls stated I appreciate all the work that Mr. Nicholas and his staff have spent looking into this. I think if the blue area had been CDD property in the beginning, we would have been maintaining it all along and it would look different right now. Some of the problems we are having with the school being unable to maintain their property to the standards that the CDD does, it is bleeding over to our property and it is causing us to spend more time and money on that property. I think it is a benefit. We are talking about a sidewalk between our piece and their piece. If you have weeds on one side of the sidewalk, then you will have weeds on the other side of the sidewalk. As we move along, listening to the plan here, whether or not the school deeds us that property, I think there is a benefit to us maintaining that property along the sidewalk. It sounds like the development company is going to spruce up the plant material to the level they should have been, and we will receive free maintenance from Davey. I do not see how we can go wrong by doing this. You end up with a nice-looking school and an improved community, which helps the development company sell houses and increases our property values. I cannot imagine the maintenance costs for these little areas going forward will be a huge amount of money. I think the concern that a lot of people had on those chat forums was that they were under the impression that their CDD assessments would be raised to pay for this, which I do not think will be the case at all. I like this plan. I appreciate all the work that the development staff has done. My whole goal in raising this was to get the school to the level that the CDD is regarding landscape maintenance. I think that is where this plan gets us, and I think it is a benefit for everyone.

Mr. Nicholas stated this is not finalized at all. I have not done any work with the School District other than a few conversations to lay down some groundwork. We still

need to engage them in the process, and we will make it really inexpensive whatever that is. As long as they are willing to work with us, we can continue to proceed.

Ms. Kassel stated I took a look at the school property, and I do not feel that the landscape maintenance or the quality of the landscaping is much different than it is elsewhere in Harmony on CDD property. I feel like the school is maintaining it to about the same state as Davey is maintaining property elsewhere in Harmony, so I do not think we should pay extra. It is not just about the payment, though. It is also about listening to the people who elected us to represent their opinions and how they feel Harmony is managed. There were a number of school administrators and facility engineers who said that the school property needs to be maintained by the school. If we do a quit-claim deed, they will just see it as a way for the CDD to take over landscaping. Even though it will not raise our CDD assessments this year or possibly even next year, it is money that we are not spending on property that is already CDD property. For those reasons and a couple others, I am not in favor of this. I realize I am the lone opponent of this idea.

Mr. Berube stated in the past, I agreed with Ms. Kassel's position, but as I looked into this further, I changed my mind, even considering comments from the residents. The problem with chat room opinions is you get six or eight people who tend to fester a burning fire. Beyond that, I think we are in a unique situation. I do not know how many communities have a school set in the middle of where people live. To me, that sways me off center a little on this because the school is right in the middle. You can have all these interlocal agreements where there is a school in the community. I have driven through a lot of communities, and there are not many with a school in the middle. Usually the school is in a corner by itself. This school is on a main roadway. I am not discounting Ms. Kassel's opinions because I felt the same way. I am moving more toward center with this. I think we can make it look pretty despite the seeming objections of people. I read that most people do not want their assessments increased, and I think we all agree as a Board that we are not going to increase them. I realize we are spending money that we could spend somewhere else, but I think we have been good at shifting money and saving money in various categories. I think we can accommodate this without any big deal. I think we should try to move forward with a quit-claim deed.

Mr. LeMenager stated all we are talking about is moving the border from the sidewalk to the parking lot. That is all those blue areas are, which is between the sidewalk

and their parking lots. They are extremely small pieces of land. I think people are thinking that we are going to trim their trees under the windows and we are going right onto their property. The scope of this is really tiny. We are just talking about stopping at the parking lot instead of stopping at the sidewalk. It is two little islands.

Mr. Walls stated if you move south down Schoolhouse Road, we maintain either side of the sidewalk down that road. So this is no different than other places that we maintain.

Mr. LeMenager stated that is correct.

Mr. Berube stated there is a number we do not have. What does Mr. Rinard anticipate on an annual basis as a contract addendum?

Mr. Nicholas stated there is no turf, just bed areas.

Mr. Rinard stated it might be \$5,000 to \$7,500 on an annual basis.

Mr. Berube stated even if it was \$12,000 annually, it is only an additional \$1,000 per month.

Mr. Nicholas stated when we redo the landscape, we will consider the sustainability of the maintenance. We will absolutely consider native plants.

Mr. Berube stated the final issue is the cost of this maintenance going forward. I think we just found out it is a relatively minor cost.

Mr. LeMenager stated I like the map because it really brings the scope into perspective and shows it is not that big of a deal.

## **SIXTH ORDER OF BUSINESS**

### **District Manager's Report**

#### **A. Financial Statements**

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

Mr. Moyer stated as we anticipated, we have received \$324,000 of our non-ad valorem assessments, which would indicate that Harmony Development Company has not paid their non-ad valorem assessments levied on the tax roll. We are 54% collected and a year ago, we were 52% collected, so we are on track in how we have been collecting assessments in this District for a period of time. On the expenditures, we are \$7,200 under budget on administrative, \$9,724 under budget on field management, \$12,867 under budget on landscaping, \$7,300 under budget on utilities, and \$17,000 under budget on operations and maintenance. Overall, we are \$54,000 under budget through the first quarter of our fiscal year.

**B. Invoice Approval #153 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.

Mr. Moyer stated Mr. Berube emailed me and expressed his concern about whether or not Severn Trent was making the appropriate deductions. Severn Trent provided a chart, and with the approval of the check register, that is all squared up. They are deducting what they said they would deduct.

Mr. Berube stated I agree. For the benefit of the Board, we have been receiving a \$1,300 discount on our monthly management fee from Severn Trent as reimbursement for the prior assessment situation and the resulting legal fees. October's and November's invoices did not reflect that discount, and then it showed up on December's invoice, so I questioned it. The whole package this month included some credit memos, which were for \$1,500 each. It was very unclear. I asked Mr. Moyer about it, and it sounds like he did not catch it either. There is no doubt in my mind that they did it right, as evidenced by the worksheet that I believe Mr. Koncar provided. My concern was that it is not clear. When you get a bill that is wrong in the amount of \$1,300, and there is a credit memo that is not documented for \$1,500 because it includes \$1,300 plus a \$200 adjustment from an estimated overtime account, I could not decipher it, so that is why I asked the question. With the reimbursements we are receiving, Severn Trent's invoice has multiple adjustments for multiple months, including the employee situation and everything else. A little more clarity would solve the issue on the invoice. Obviously, whoever wrote the credit memos knew what they meant.

Mr. Moyer stated there is a schedule on page 14 of the financials that shows those deductions. I think the person who put this together can be requested to update it and make it a part of this package so you can follow it that way.

Mr. Berube stated it all works out fine. But the problem is when you look at it, for months, our management fee has been \$3,365.33. For October and November, it went back to the other amount of \$4,665.33 with no explanation. December's invoice is at the reduced rate. For two months, it looked like the \$1,300 credits disappeared. Then we have been getting credits and adjustments for months because of the employee situation. When I saw the two credit memos, I thought they had to do with the employees. When I looked at it, I could not find \$1,300 credits anywhere.

Mr. Walls asked did the explanation indicate it was for employee overtime? I was going to ask about that.

Mr. Berube stated employee overtime has been adjusted. I do not know where that comes in. Severn Trent does things in a strange fashion. Our employee overtime number is a direct bill the month after it occurs. If we pay overtime in September, then October's invoice will show the hours for each employee. For whatever reason, they are adjusting that employee overtime account, and I have no idea why. I guess it really does not matter. The numbers match within a few dollars of where I expected they would be, but it sure is a circuit to get there.

Ms. Kassel asked do you have a suggestion?

Mr. Berube stated I would like more clarity when they provide their paperwork. I guess Ms. Fazeela Khan does the footnotes to the financial statements, and she has added a lot of footnotes where you can find a lot of information. I supposed if this had been footnoted with a little bit of clarity as to what was going on, it would have saved a lot of paper being printed and me sorting through everything trying to figure out what was going on. Mr. Moyer looked at it and did not understand it. I sent it to Ms. Brenda Burgess, who looked at it and did not understand it, so it was not just me. It was not clear. We do not mind paying, but we need to have clarity.

Mr. Berube stated on a different matter, I noticed there is an invoice from the Harmony Development Company to the CDD for CPR certification classes for our two field staff members. The development staff left to attend another meeting, so I cannot ask them. I am not arguing that CPR certification is a good thing, but in what capacity are we being asked to pay for this certification class? As an employer? It has been made very clear that we are not the employer. It is only \$100, but it is a matter of principle. It took place last year when we were also asked to pay for uniforms. We are not the employer.

Mr. Moyer stated if you want us to handle it differently, Severn Trent can pay for it and then bill the District as part of being the employer.

Mr. Berube stated it is a fine line, and I understand it is. I almost thought about letting it slide, but either we are the employer or we are not. Am I being too picky?

Mr. Walls stated I see Mr. Berube's point, but they turn around and charge us for incidentals.

Mr. Berube stated they do not for employees. My concern is things like this happen and Mr. Qualls will remind us that the CDD is not the employer. In what capacity are we being asked to pay this bill? It is \$100 for CPR certification for two people. It is not a lot of money, but there is a line.

Ms. Kassel stated I understand Mr. Berube's point, but as Mr. Moyer said, it would have been billed back to us through Severn Trent.

Mr. Berube stated probably.

Ms. Kassel stated I do not have a problem paying it.

Mr. Berube stated what happened is not my issue. How it was presented is my issue.

Ms. Kassel stated I understand where you are coming from.

Mr. Berube stated there are some invoices from ID Wholesaler for things to make the identification cards. Does Mr. Moyer code the invoices as to the budget line item, or does someone else code them where they show up in the general ledger?

Mr. Moyer stated Mr. Haskett usually codes the bills. I do not code the invoices.

Mr. Berube stated this should be under Security Enhancements, which led me to two BrightHouse bills we receive every month for monitoring the gates. One ends up under R&M Common Area and the other is in Security Enhancements. I wonder why two BrightHouse bills having to do with the same thing end up in two different general ledger funds.

Mr. Moyer stated I will ask Mr. Haskett.

Mr. Berube stated I think they should all be under Security Enhancements. We have that budget line for those items, and we need to monitor that.

Mr. Berube stated we received an invoice for \$500 from Grau & Associates dated December 3, 2012, for audit ending September 30, 2012. It coincides with the budget since we have only paid them \$7,500, but why is there a final bill for \$500? It does not seem right.

Mr. Walls stated they usually take draws.

Mr. Moyer stated that is correct; they take draws against the work as they process the work.

Mr. Berube stated my other questions are for Mr. Haskett, so I will take those up with him.

Ms. Kassel stated there was a line item on the legal invoice where someone was conversing with Mr. Qualls about the election of the Chairman of the Board.

Mr. Moyer stated I think it was a summary of items that actually took place two years ago. It was reviewed about how many votes you need to have to elect a Chairman if there is a quorum but not a full Board. It was something we were faced with previously and we wrestled with the fact that a 2-1 vote elected a Chairman.

Mr. Qualls stated two years ago, the scenario was the vote was 2-1-1 and the question was if it was an actual majority. We decided to get it all straight for this new election cycle, so we billed \$50 of time to make sure that meeting ran smoothly.

Ms. Kassel stated I was curious about it.

Mr. Qualls stated that is why we include at the bottom of our invoice to ask if you have any questions.

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to the invoices, as discussed.
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**C. Public Comments/Communication Log**

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

**D. Website Statistics**

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

**E. Employee Leasing Company**

Mr. Moyer stated from our last meeting, we identified two companies that will agree to hire one individual for our project. They usually require more than one employee, but these two were responsive to our situation. The more responsive firm was Staffing Now. They have shown a lot of interest in this, and they have been very good at providing us information. Some of the responses from Central Florida Staffing were not particularly clear to me, such as if medical was included or if their rate is \$21.73 or \$26.19. Staffing Now actually has called me on several occasions, asking if we are ready for them to send us people to interview, so they are anxious to get us an employee. I called Mr. Haskett last week and wanted to start the interview process, and Mr. Haskett indicated to wait because he wanted to discuss something at this meeting. I would like to go ahead and

proceed with Staffing Now and get the process started. We can work through the details as we get more involved in it.

Mr. Berube stated I tend to agree with you. I met with both our employees this week and showed them what we had. I also have Severn Trent's current employee benefit package and current costs. From the perspective of the employees, they like much of what Staffing Now is offering. There are a couple questions of limitations. Staffing Now has a \$5,000 limit on their medical coverage for a year, but on the other hand, the medical package they have with Severn Trent has a \$5,000 deductible, so the first \$5,000 comes out of the employees' pockets. They are paying comparable amounts of money for the premiums to Severn Trent as what Staffing Now is listing. I asked Ms. Burgess to check with Staffing Now to clarify. They also indicate under salary that it includes major medical.

Mr. Moyer stated Ms. Burgess did receive that information and forwarded it to me last night. I will provide Mr. Berube with the email.

Mr. Berube stated they never really confirmed the question of medical coverage.

Ms. Kassel stated that is not very substantial coverage. As Ms. Burgess indicated, it is not very high. I would much rather have a \$5,000 deductible than a \$5,000 limit.

Mr. Berube stated the proposal says it includes major medical. The way I understand major medical and other coverage is when you have health insurance, it is called limited medical. Somewhere in this proposal they refer to limited medical so I wonder if they have two categories. The insurance that the employee pays for gets them to that \$5,000, and once they have reached that limit, there is a secondary insurance. Otherwise, why would they say it includes major medical? I think there are two different levels of coverage.

Mr. Moyer stated we need to clarify that.

Mr. Berube asked do they only receive one week of vacation?

Mr. Moyer stated yes, after 1,500 hours within the first year, they receive one week of vacation.

Ms. Kassel stated the email from Ms. Burgess indicates a "difference in vacation time." She indicates in the email "we have 10 paid holidays available immediately and two weeks of sick time annually plus the difference in vacation time."

Mr. Moyer stated part of the issue is if our employees transfer over, how their vacation time would be handled.

Mr. Berube stated right now, they receive two weeks of vacation time from Severn Trent. With Staffing Now, they would only have one week, which is the difference. Staffing Now gives six paid holidays and Severn Trent has 10. There are other significant differences in the package. The big issue that came up was the medical limit of \$5,000. The employees were fine with the rest of the package.

Mr. Moyer stated we do not have to make that transfer all at once. We can hire the new employee with Staffing Now. My recommendation is if you go that direction, hire the new employee and see how it works for three months before we ask Mr. Druckenmiller and Mr. Calabro if they are interested in switching. By that time, we will know for sure how it works.

Ms. Kassel stated or wait six months.

Mr. Berube stated I think Mr. Calabro was fine with the change. Mr. Druckenmiller had an issue with the \$5,000 maximum, which is why I asked the question. There was not much resistance on any of the rest of it. Many of the coverages are better. The pricing on the insurance is about the same. The big issue is the deductible. Mr. Druckenmiller paid over \$4,000 last year in deductibles, so he understands what that is worth. His new deductible will be \$500. He would have \$3,500 extra in his pocket right now from last year if he had this plan.

Ms. Kassel stated if we are going to do this, I would rather have the new employee work under the new contract for six months to a year to see how it works before we move our other two employees.

Mr. Berube stated Severn Trent uses a pot of money and works off the budget to bill us. With a leasing company, we will have more direct control over their raises and various related things. If we include 3.5% in the budget for raises for the employees, it would not automatically show up on our monthly bill but would occur when the employee receives the raise. Both employees are complaining that they have not received their new raises yet.

Ms. Kassel stated I want to think about the reason that we wanted to look into this in the first place. It had more to do with having more transparency than anything else. We are not really looking at cost savings. It is a question that I do not know if we are still

asking, which is if we do this at all or if we continue to go through Severn Trent. There is more transparency with a leasing company and it would seem—although we do not know for sure—there is a faster hiring process than Severn Trent. Is that ongoing and where are we with that?

Mr. Berube stated Ms. Burgess indicated to me that if we have someone to hire, we send them to Staffing Now to be enrolled and that is all that needs to be done.

Mr. Moyer stated that is correct. The way Mr. Thomas Belieff was terminated was by telling him that his job was eliminated. The human resources staff at Severn Trent, who know their stuff, say you cannot hire someone for the same position that you just eliminated. You get in trouble doing that. They do not want to get in trouble, so they are not going to do it. They have made the decision that even though the job description is broader now, it still has that component that Mr. Belieff was doing as the dockmaster. As such, they are reluctant to hire anyone for that position.

Ms. Kassel asked where does that leave the CDD? Does that leave the CDD liable if we were to hire someone with a substantially similar position?

Mr. Berube stated we are not the employer.

Ms. Kassel stated that does not mean that we still do not open ourselves up to liability.

Mr. Qualls stated the information in the agenda package shows a comparison chart and an email from Ms. Burgess, while there is information in the agenda package from Staffing Now to Severn Trent. What entity is contemplating contracting with one of these staffing companies?

Mr. Berube stated the CDD, through its manager.

Mr. Qualls stated the manager is going to staff and handle this.

Mr. Berube stated yes.

Mr. Qualls stated so the contract will be with Severn Trent.

Mr. Berube stated no.

Ms. Kassel stated it will be with the CDD through the management company.

Mr. Walls stated they will facilitate the terms of the contract, but the contract will be with the CDD.

Mr. Moyer stated it is just like a day laborer situation. If you get a day laborer, he would report to the management company, to me. But the reality is that the District would hire the day laborer. That is done all the time, and we do that a lot.

Mr. Qualls stated not in Harmony.

Mr. Moyer stated no, in other CDDs.

Mr. Berube stated our employee will not be a day laborer.

Mr. Moyer stated that is correct.

Mr. Qualls stated I can just give you the advice. The Statute says the District shall have a District Manager who shall manage the works of the District. It seems so simple to me. If you want someone new, tell the manager you want a new employee. If you want a reduction, tell the manager. Just looking at this and ways to save money, you are to commend the District Manager, but there is a lot of discussion about insurance and other items. Someone raises the question to whom does the employee look. There will apparently be a contract with the District and the staffing company, but for any employee issue, you send that to the District Manager. We have advised that you follow that Statute, which is the District Manager who manages the works of the District. That includes hiring and firing.

Mr. Berube stated that is exactly what we are doing. All we are doing right now is what the new potential staffing company—the supplier of labor—is going to offer the employees, versus the package and benefits the employees already have from Severn Trent. We are trying to sort through and make sure the employees are not hurt in this transition. In effect, Severn Trent is the employer, managed by the District Manager. If we make a change, the employees will be employed by Staffing Now, managed by the District Manager.

Mr. Qualls stated there is no agreement between the District and the staffing company in what has just been outlined.

Ms. Kassel stated last month we discussed about just doing this for the new employee. Now Mr. Berube is saying to look at our two current employees and make a transition. That is not something that we have discussed in the past. That is something being discussed at this meeting as a possibility. We discussed specifically in the past that this arrangement was only going to be for the new employee. We were not talking about transitioning our current employees unless it was a great deal and they really wanted to

change. This issue came up because of the difficulty in hiring a new employee and the length of time that it would take, as well as the difficulty in understanding how Severn Trent was charging us for the employees. That issue also came up because they kept billing us the same amount after Mr. Belieff had been dismissed. I do not see it as being any different than the management company hiring through their own company versus hiring through another leasing company that we are considering. Does Mr. Moyer see it any differently than that?

Mr. Moyer stated no, I do not.

Ms. Kassel stated I am not sure what Mr. Qualls's issue is with this. We are not really doing anything different except for who is paying the employee.

Mr. Moyer stated that is correct.

Mr. Qualls stated you pay me to read the Statute and tell you what it says and tell you what I think that means. You can take my advice or not. I do not see an agreement to be signed with a leasing company.

Mr. Berube stated there is no agreement.

Mr. Qualls stated in other words, as I understand it, all that is essentially happening is the District Manager is selecting a more convenient way for the District Manager to be able to manage the works of the District and have staff and have the flexibility to do that.

Mr. Berube stated that is exactly what we are talking about.

Ms. Kassel stated my question was about our liability if the Severn Trent human resources department terminated Mr. Belieff's employment by saying that position was eliminated, and if the CDD is looking to hire someone for what could be construed as the same position. I understand the employee was hired by Severn Trent, but that does not mean the CDD would not be involved in some kind of lawsuit if we were to hire someone through a different company.

Mr. Berube stated we are not going to hire someone for the same position.

Mr. Moyer stated that is correct.

Mr. Berube stated the job classifications have been revised. Both Mr. Druckenmiller and Mr. Calabro have had their job classifications revised to handle the boats. The third field technician—the former position—was assistant dockmaster. That position will be gone in this transition, and the position will become another field technician. The reason for that is so we have the flexibility of having them all do other activities. That was one

of the problems with Mr. Belieff because he wanted to just be the dockmaster and not do anything else.

Ms. Kassel stated what I am hearing is that Severn Trent is saying that the new position is substantially similar enough that it opens us up to liability.

Mr. Moyer stated not you.

Ms. Kassel stated Severn Trent, but when someone sues, they will sue everyone.

Mr. Qualls stated I agree with the District Manager. If someone were to sue for that, they would not be suing the District because they were not hired by the District. They would be suing the District Manager who hired them for that position. I think this all goes to show the infinite wisdom of the legislature perhaps why they included that clause. It is easier to look to the District Manager to deal with all these things, to manage the works of the District. Am I saying the District will not be sued? Absolutely not. A plaintiff's attorney will look thoroughly for as many causes of action as possible and as many parties as possible. I do not see a great concern from a liability standpoint simply because the District did not hire these people.

Mr. Farnsworth asked is there any relief at all or any concern that you will be going through a different company to hire a new employee, as opposed to going through Severn Trent again? Severn Trent was the one who brought up the potential conflict. If it is a totally new company doing the hiring, they would not necessarily be cognizant of that conflict.

Mr. Moyer stated you are absolutely right, and I think there is some protection there. The reality is, notwithstanding Severn Trent's human resource staff people who are very conservative, you cannot put the District out of business because someone in Texas says it is a similar position. It is not a similar position. Mr. Berube is absolutely correct that it is not a similar position. Severn Trent's human resource department is dead wrong, period. I am the manager and I can tell you that. They are wrong. I will not fight them. We will just go around them.

Ms. Kassel stated it seems at this point that we have few choices because Severn Trent is not willing to hire another employee, so we have to go with an outside staffing company.

Mr. Koncar stated Severn Trent was requested to terminate the position instead of the individual. This request was made of us, and we have to follow the directions we were

given. When you eliminate a position and try to bring on a similar position within a couple weeks, you can see where the problem is. That is why whatever the position is, it needs to be substantially different than what you have.

Mr. Farnsworth asked was the reason that the request was made in order to avoid problems with showing cause for terminating an individual than a position?

Mr. Koncar stated I do not know. We received the request and that is what we did. I do not know what the reason was.

Mr. Berube stated there are areas that we try to stay out of.

Ms. Kassel stated based on Mr. Moyer's statement that the position is different, it may not matter if we are going with another leasing company. But based on his statement that the positions are different, is there any recourse with Severn Trent to hire someone for this new position?

Mr. Farnsworth stated this might be a moot point.

Mr. Koncar stated that is what we were doing, revising the job description. Then the idea was brought forth to do this through a leasing company, so we stopped.

Mr. Qualls stated I am confused. What is it that the Board is contemplating right now? To me, the only decision the Board has to make is if you want another person here.

Mr. Berube stated yes.

Mr. Qualls stated that decision has been made, so I am confused as to why we are discussing the District Manager's business right here. The District is not hiring anyone. I know it is nomenclature, but the District is not hiring anyone. The District hired the Manager, who is managing the works of the District. I do not see any decision that needs to be made. I am sure the Board already made the decision months ago that you needed some additional help here.

Ms. Kassel stated perhaps Mr. Moyer is presenting us with the information that he has found for our comments.

Mr. Walls stated I think Mr. Qualls is correct. We tell Mr. Moyer to go forward and do what he needs to do in order to hire a new person by whatever is the best option.

Mr. Berube stated in my mind, this has always been a switching away from Severn Trent toward another company for all our employees who work here. Did Mr. Walls understand that it was going to be offered to all three?

Mr. Farnsworth stated that was my impression.

Mr. Walls stated my understanding was that they would have the option to switch if they wanted or not, or the District Manager could decide that is the best way to go with all three employees. We will leave it to him.

Mr. Berube stated we need a third employee. I would like to direct the District Manager to proceed with the plan from Staffing Now and have them hire a third employee. Since we do not need a motion for this, let us move forward with Staffing Now.

Ms. Kassel stated let us move forward with the management company to decide who is the best one to hire this employee and whether or not it is appropriate to transition the other employees to this firm.

Mr. Berube stated Mr. Moyer indicated he prefers Staffing Now. In looking at their package, Staffing Now was clearly better from the employees' perspectives. Then once the third employee is hired and we receive clarification on the medical insurance, we can provide a better answer for our current employees and allow them to make the transition to Staffing Now if they so desire.

#### **F. Assessment Paydown Information**

Mr. Moyer stated Mr. Koncar offered to come to today's meeting. He heads up the Florida division of Severn Trent Management Services.

Mr. Berube asked is that different from Severn Trent Environmental Services?

Mr. Moyer stated it is a division of Severn Trent Environmental Services. The other issue to discuss while Mr. Koncar is here deals with an item that Mr. Walls brought to my attention a couple months ago about one of our residents requesting a payoff amount and getting two different numbers at two different times. The assessment department looked at that and, in fact, they did identify three cases in which a resident was given the incorrect payoff amount that was lower than what it should have been. They did that calculation, and those three accounts add up to \$16,373.73. Mr. Koncar and I have discussed this. Severn Trent is willing to go ahead and make the adjustment to pay that amount of money into the debt service fund since that is where that money needs to go.

Mr. Koncar stated this is something that happened between 2001 and 2009. When the accountants picked this up, even though some of the records were not clear, they picked up the wrong number on three of the estoppel letters. Those were paid off by the home owner. We used to have an employee who headed up our assessment department, who went to work for another city, so we hired a contractor who had experience in

assessments. She started looking at this and realized there might be something wrong. She initiated a review of what was going on. Like any financial analysis, when you look at something, you always have to go back. So she started going back and realized that three of these letters had the wrong information on them. This was something she initiated on her own and she told us what happened. As Mr. Moyer mentioned, the amount short was about \$16,000. That will solve this problem and make the District whole again.

Mr. Walls stated I have been in the government budgeting business for over a decade, and I have an assessment staff that works for me. I understand accounting changes and sometimes you put things on the wrong lines, which is not a big deal. When it comes to assessments, those directly impact people and what their tax bills are. If there is an issue, they come to us and let us know there is a problem. That reflects on this Board in a sense. If their bill is wrong and we are managing that bill or sending that bill or approving that assessment, it looks bad on us. This is not the first assessment issue this District has had. If there is any way of implementing a new system of checks and balances or something along those lines to catch issues like this ahead of time, we would very much appreciate it. If this had happened in my office at work, there would be people who would have been fired, including me.

Mr. Koncar stated the person responsible for this work is gone, so that is part of the issue. The reason we uncovered this was because we brought in someone new who actually looked at things in a different way. She has made some changes in terms of the system and reviewing your assessments twice a year to make sure this does not happen again, not only on estoppels but also the initial problem with the assessments. That was done correctly and sent to the property appraiser; however, they never picked it up. As a result, it was not an initial error by Severn Trent, but Severn Trent took responsibility because we did not pick it up in years two and three.

Mr. Walls stated that is where I am getting at. I do not know how many people you have looking at these things as they go out and come back in. Perhaps you need more people looking at them.

Mr. Koncar stated I think it is a good point. What we have done to change the system and how we review it and have different people looking at it, I think that will solve the problem. We have gone through this situation dating back to the beginning of Harmony

with assessments and looking at everything to make sure there are no other problems. I think we have been able to get to the bottom of it now, so I do not foresee any issues. The reviews we put in place will solve the problem.

Mr. Berube asked is it a fair question to say that if a resident had not had the comparison of two years' final payout that we might not have seen and probably would not have noticed it?

Mr. Koncar stated I do not know that I would go that far. Because of the original issue that we had on the assessments, that is when the contractor we hired to head up the assessment department started looking at the whole assessment issue. When she started looking at the whole issue, she realized there were some problems, and that is where she picked up the problem on the three letters, even though we know a resident came forward. She started realizing something was not correct, not just with the system as a whole but with a couple of these estoppel letters. I think she would have picked it up.

Mr. Berube asked how is this money going to be put back into the CDD's funds? Will this be a credit or a check, or will we go through this monthly reimbursement process?

Mr. Koncar stated I discussed this with our assessment consultant who uncovered the original issue. She suggested that we pay it back starting in April and complete the payment in September. The reason is that will put all the money back into the debt service account that is short before your payment due November 1. Then you will be able to have a clean break for this fiscal year that ends September 30, so when you start your new fiscal year on October 1, 2013, the debt service fund will be whole.

Mr. Berube asked will that be in the form of a check to the CDD or a credit against outstanding bills?

Mr. Koncar stated we can do it as a credit.

Mr. Walls stated it needs to be a check because this is the debt service account. We pay the management fee from the general fund.

Mr. Moyer stated I sense Mr. Walls is correct, but let me talk about that with Mr. Koncar. We need to create the proper audit trail.

Mr. Berube stated however you want to do it is fine, as long as it is clear.

#### **F. Auditor Solicitation**

Mr. Berube stated every year, we pay \$8,000 to Grau & Associates for an audit. How much do they audit? I know they provide a letter that says they go by what Severn Trent gives them and they add up all the columns. If all the numbers balance, that is great. We

have had a couple of fairly stout issues that seemingly maybe should have stood out to Grau, including something like the loss of the OUC utility deposits. They were on a balance sheet at some point and they disappeared, but Grau never mentioned that. Now we have had this assessment issue. We had the tax problem from a few years ago. I am wondering how much rubber stamping Grau is doing. Granted, it seems they almost tell you that when you read their letters. Do we really want to spend \$8,000 again this year that on the surface does not appear to dig in very deeply? There must be other auditing companies.

Mr. Moyer stated there are half a dozen auditing companies that do a lot of CDD audits. It is appropriate at any time that you have a concern to go through that process, which is fairly simple. It is like a bid that you advertise for these auditing companies to submit to the Board their qualifications with a proposed price to do the audit. As part of those qualifications, you can go through and see what experience they have. It certainly would not be out of order to direct the auditor as part of the pre-engagement audit process to focus on certain parts of our financial reporting system, i.e., assessments. Since we discovered a problem with assessments this year, I think that would be appropriate to have them look at the assessment process and identify whether or not there are any material weaknesses in the way those are being handled. That would be an appropriate thing for the Board to do.

Mr. Walls stated I can speak from experience on that, too. These audits are largely procedural, whether or not they should be. The auditors come in and look at the top layer. They might go down a layer or two. Where I work, our budget is \$3 billion. There is a team of four or five auditors, so they really cannot investigate very much. I think the direction we are going is correct. If there is an area where we have had some issues, like assessments, we should ask them to review that more during their audit work.

Mr. Moyer stated part of the issue that is frustrating to the Board is inherent in financial accounting. Grau and the previous auditors did, in fact, pick up the issue on the 2005 assessments. It was accounted for properly, but there was nothing done about it. It was not a matter that the auditors were negligent. They had it absolutely right the way it was shown on the financial statements. The problem that it was continually shown on the financial statements until one of Severn Trent's assessment people just decided to bill it without direction from the Board. That is how that came to light to the Board. There are

nuances to this that make it a little difficult for a layman to understand the accounting system. I put myself in the layman category. I look at those financial statements just like the Board does, but unless you actually know something about accounting, we would not pick up that it was properly accounted for but there is a problem. We can direct the auditor to take a look at that.

Mr. Berube asked how long as Grau been engaged, four or five years?

Mr. Moyer stated I believe so. On the pricing side, it would not hurt to go through the auditor selection process to see what other auditors are charging.

Mr. Berube stated Mr. Moyer knows the auditors in this industry. Typically there is an engagement letter that is received in July or August, usually during our budget process.

Mr. Moyer stated that is correct, and we have time to go through that process. The fiscal year 2012 audit is already underway, but for the fiscal year 2013 audit, we have a lot of time to select an auditing firm.

Mr. Berube stated Mr. Moyer knows the firms, so he can provide two or three proposals or six if he wants.

Mr. Moyer stated State law prescribes a process that we need to follow. You have to advertise the solicitation and it has to be an open process. I cannot just ask three auditing firms that I choose, but I will tell you the responses will be from four to six of the same auditing firms that we deal with.

Mr. Berube stated especially after where we are at, I think it is time for us to select a new set of eyes to look at the financials.

On MOTION by Mr. Walls, seconded by Ms. Kassel, with all in favor, unanimous approval was given to begin the auditor selection process.
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## **SEVENTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Mr. Qualls stated I loved the discussion the Board has had about the assessments. You have a policy regarding assessments that covers the billing and collecting. That is healthy and is a good indication to me that this Board is doing what that policy says for assessments. If you have not seen it in a while, I will forward it to you, but it is very enlightening.

**B. Engineer**

There being nothing to report, the next order of business followed.

**EIGHTH ORDER OF BUSINESS**

**Supervisor Requests**

Mr. Berube stated I provided some information to all the Supervisors related to field cell phone comparisons. We pay \$3,200 annually to AT&T for three field cell phones. As a matter of full disclosure, my son works for Sprint. I contacted him and told him what we have and asked if we could do better. He said yes, so I said this needs to be an arm's length transaction. He stepped back and put me in contact with someone in his office who does governmental sales. Everyone in the cell phone business gets compensated in some manner, so that is why cell phones are so expensive. Everyone is getting a commission on the deal. When you get away from the commissions, things suddenly get cheaper. Our current phone plan is detailed on the left, and you can see what it comes down to. On the right is the Sprint plan. The biggest deal is that the first year, we would receive free phones. There would also be a buy-back on the current phones that we have. There would also be a port-in credit of lines coming from AT&T for \$300. Our first year savings with the free phones, which would be an iPhone 4 versus the iPhone 3, is \$1,300. The second year savings drops a little to \$1,000 less, to \$2,169.54 because there is no more port-in credit and no buy-back credit from the phones. So the second year we would save \$1,000 and have no contract. We currently have no contract with AT&T. The reason I started looking at this was because of the tablets. We paid for the mapping system for the irrigation technician last year. Currently that is being managed on his iPhone 3, which is a tiny screen. He is trying to look at a map of the project, and it is time to get him a tablet for managing that system. The tablet would be an iPad 16G that is listed in the bottom right corner. It would have cell and wifi capability. Depending on what we want for the cell phone, there would be three monthly payments. Since we do not know what we will use this for, I recommend going unlimited for \$10 more per month than the metered capability for the iPad to be out in the field using the internet. The tablet also plays into what we referred to earlier in the meeting in taking some of the load off Mr. Haskett. Mr. Druckenmiller can take care of some of the ordering of things and looking at various pricing, but he does not have internet access. We also discussed last month that Mr. Druckenmiller would be moving into managing the Maxicom system. This tablet would give Mr. Druckenmiller the ability to manage Maxicom as he feels comfortable moving

into that going forward. He does not have to do it right now, but at least he would have the tablet and it would be available everywhere. The bottom line is if we change from AT&T to Sprint, we can get this tablet and its plan at almost a budget-neutral cost. If we do not get the tablet, then we can save about \$1,000 annually on cell phones.

Mr. Farnsworth asked did anyone check with AT&T to see if they were able to make a competitive offer?

Mr. Berube stated no. That is all being handled through the development company office right now. We would be leaning on them to try to get this done. I get a little irritated at cell phone companies, or any companies, who know who you are and what you are doing but does not give you their best deal. Clearly, AT&T is not giving us their best deal.

Mr. Walls stated I appreciate the analysis. It looks good, and I always like to save money. The only thing that is not included is coverage and quality of service.

Mr. Berube stated Sprint just turned on 4G LTE here last week.

Mr. Walls stated maybe it is better, but everyone I have talked to here who has Sprint hates it. I do not mean to disparage Mr. Berube's son, but they say the coverage is not good. You have to go certain places to get a signal. My wife had it previously and we had to get rid of it because she could not receive calls out here. That is my only concern.

Mr. Berube stated we have a Sprint phone at my house that my wife uses. I think the coverage has improved lately, especially since they turned on 4G LTE, so the coverage just got better. I can get a coverage comparison map.

Mr. Walls stated perhaps staff can check with AT&T to see what kind of deal we can get. Maybe what we have is not the best deal and they could do better.

Mr. Berube stated this is currently handled by the development company.

Mr. Walls stated someone can just call AT&T and ask them.

Mr. Berube stated this is a government contract, so it would be handled through the Western States Contracting Alliance because we are a public government. We can do this one of two ways. We could go on the Florida State contract, but then you have to go through the challenges of dealing with Tallahassee. We would basically have an engagement letter from Western States Contracting Alliance on our letter to Sprint that says we are a government agency and will pay for what we contract and will contact them if we make any changes.

Mr. Walls stated AT&T has a similar contract because I get a discount from it.

Ms. Kassel stated I think we should leave it that Mr. Moyer will look into it and contact AT&T to see if there is something comparable since we know it is good coverage.

Mr. Moyer stated that is fine.

Ms. Kassel stated I know we discussed previously and Mr. Qualls suggested CDD members having a separate email address. Is that something that is possible?

Mr. Moyer stated I will confirm with Ms. Burgess, but I think that is something we can set up through the website.

Ms. Kassel stated we should be able to have email addresses that way, so CDD emails can go to that email address. Any time we are asked for any public records or if we are looking for anything, we will have it on a separate email address. I know Mr. LeMenager said he would not check it, but he can have it set to forward to another email address.

Mr. Walls stated the devices we are getting can be set up to receive emails.

Ms. Kassel stated that is correct. The idea is to have a dedicated email address just for CDD business, so that it is not coming to our personal or business emails.

Mr. Walls stated that is correct.

Ms. Kassel stated it has been at least a couple years since we had a capital replacement schedule prepared by the engineer. I think it is time to do that again if the Board agrees. In our budget, we have a line item that is specifically designated for capital outlay. As things degrade, we need to have funds accumulating to replace those assets. We had a schedule prepared that told us how much we needed to be setting aside every year, broken down by month.

Mr. Farnsworth asked did you say we had it but do not have now?

Ms. Kassel stated we had one made, but we need to have it updated.

Mr. Moyer stated I will ask Mr. Steve Boyd to update that schedule.

Mr. Walls stated we can put this on a schedule to be done every five years or so. Most things will not change.

Mr. Berube stated I do not remember when it was done, but it has not been five years. Mr. Moyer can ask Mr. Boyd what was contemplated as a cycle time for that report.

Ms. Kassel stated I think it makes sense to do it every four years when there is a turnover on the Board. That is the length of service for a Board member. For new members, I think it is a good thing to have.

Mr. Walls stated the whole point is to make sure we are setting aside the appropriate amount of reserves, which I think we are now.

Ms. Kassel stated let us make sure, and we also need to think about what may be coming up that may need replacement.

Mr. Berube stated there have been some changes especially at Lakeshore Park.

Mr. Walls asked can we put this on a four-year schedule?

**NINTH ORDER OF BUSINESS**

**Adjournment**

The next regular meeting is scheduled for Thursday, February 28, 2013, at 6:00 p.m.

On MOTION by Mr. Berube, seconded by Ms. Kassel, with all in favor, the meeting adjourned at 10:55 a.m.
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Gary L. Moyer, Secretary

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Steve Berube, Chairman