

MINUTES OF MEETING

HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, July 31, 2014, at 6:00 p.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Assistant Secretary
Kerul Kassel (<i>by phone</i>)	Assistant Secretary
Mark LeMenager	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Tim Qualls (<i>by phone</i>)	Attorney: Young, vanAssenderp, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Bob Glantz	Harmony Development Company
Greg Gologowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Larry Medlin	Bio-Tech Consulting
Joe Tramell	Harmony Development Company
Gerhard van der Snel	District Staff
Chip Webb	Harmony Development Company
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Berube called the meeting to order at 6:30 p.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 June 10, 2014 Continued meeting, the June 26, 2014 Budget Workshop and June 26, 2014 Regular Meeting

Mr. Berube reviewed the minutes and requested any additions, corrections, notations, or deletions.

Ms. Kassel stated in the June 26, 2014, budget workshop minutes, page 8, paragraph one, "spends" should be "spent." Page 8, paragraph two, "pergola" should be "the pergola." In the June 26, 2014, regular meeting minutes, page 3, last paragraph should read, "They could provide us with two proposals, but at the bare minimum we want four ~~withdrawal ponds~~ quarterly pond services with the addition of the two new ~~ones~~ ponds."

Page 17, paragraph two, “majority share of full ownership” should be “majority share or full ownership.” Page 28, paragraph four, “diaper” should be “diapered.” Page 40, the paragraph below the motion, should read “linear parks line item in the reserve schedule, we do not have all of the shade structures.”

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to the minutes of the June 10, 2014, continued meeting, the June 26, 2014, budget workshop, and the June 26, 2014, regular meeting, as amended.

THIRD ORDER OF BUSINESS

Audience Comments

Ms. Carole Greenwald stated I have a couple of questions. Rumor has it that in the lots committed to Lennar in the Green neighborhood, I understand that the CDD bond portion for the purchasers of those homes has been waived. Is that correct?

Mr. Moyer responded no.

Mr. LeMenager stated there is no legal basis for that.

Ms. Greenwald stated you say that there is no legal basis, but the CDD bond portion in the Estates was paid by either the Harmony Development Company or the builder.

Mr. Moyer stated they always have the right to pay off that assessment as part of the sale of the property or prepay all of the properties. To my knowledge, that has not taken place.

Ms. Greenwald asked could someone on the Board please check into that?

Mr. Moyer responded yes.

Mr. Glantz stated eight are paid off.

Ms. Greenwald asked in the Green community?

Mr. Glantz responded no, throughout Harmony.

Ms. Greenwald stated I am talking about the Green community.

Mr. Glantz stated that is inclusive of the Green community.

Ms. Greenwald stated my reason for bringing this up is, if it is true, I am wondering if this would affect any of the existing home owners. I am not talking about the maintenance portion, only the bond.

Mr. Moyer stated no, it would not. The way these assessments are done is, they are allocated to the lots based upon the benefit the lot receives. That assessment stays with

the lot. To the extent that someone does not pay their bond assessment on a lot, that does not affect you, either.

Ms. Greenwald stated I understand.

Mr. Moyer stated it does not affect you if they pay it, as well.

Ms. Greenwald asked is there a proposal to extend the term of the bond? Is that being considered?

Mr. Berube responded no. As a matter of fact, we just finished refinancing them and the term stayed the same. The amount of the bonds stayed the same. What we did was cut the interest by about 40%, which saves the home owners about \$180,000 a year on that refinancing. That was just completed last month.

Mr. LeMenager stated www.harmonycdd.org has the minutes of every meeting, and this is a governmental public body. There is no point in having a rumor mill with respect to the CDD as this is a public body and the records are public. It is all out there for anyone to read.

Mr. Berube stated every single one of us has an email address listed on the website, which is first name@harmonycdd.org. I am going to venture to say that all of us answer our emails. Any time you have a question or a concern, contact any of us and ask the question. Do not let things fester. There is no reason.

Ms. Greenwald stated someone asked me to ask about the lights in the parking lot and you mentioned that you were going to pass that on to Mr. Golgowski. Maybe Mr. Golgowski could comment on that.

Mr. Golgowski stated I passed this on to the people who run the building. I know that they are looking into it. They had some troubles with replacing bulbs. The first bank of lights out here are associated with this building, while the balance are public lighting. I think I heard that they are working okay. I do not know if there is a timer issue or a light bulb issues, but these folks are looking into it. They want it fixed, too.

Ms. Greenwald stated I understand that they have been at it for quite some time.

Mr. Golgowski stated I understand.

Mr. Michael Heaphy stated there has been an ongoing issue with my fence at 7100 Indiangrass. First of all, I appreciate that the Board has a lot going on and it is a fair responsibility. I want to apologize for my inability to get the job done in a timely manner as I agreed to. I asked for a six-month extension. However, due to personal and medical

reasons, I was not able to hold up to my end of the agreement, and I apologize. Secondly, as I went through this process in July, I spoke to some people and said that I needed more time. There were a few things that I had requested, acknowledging the fact that I do not own the property as it was CDD property. I did some further research and due to personal and medical reasons, I was delayed. However, this took a personal turn, and I do not like that. There were things said when I read these minutes that upset me, and I am a calm man. I was accused of stonewalling, which is unacceptable. These are my neighbors. I have heard things like that said before at other meetings. Do not do that. These are public records. I do not like it. As for stonewalling, I have been in touch with my mortgage company, my title company, and my lawyer. I am working on it but it takes some time. Was I delayed? Sure. Should I have called you guys up? Maybe, but that is not what goes through your head when you have other stuff going on. I asked for a copy of a permit because in Osceola County, whether you are a County Judge or whoever you are, you need a permit to move a fence. It was not a relocation. It was a move from CDD property, which I acknowledge to my property. Where is the permit? I asked for one by the end of the business day. I never received one. I got the answer; I can get things done. Fine. Coming from New York, that does not mean it does not get done right. It means come back and ask for apologies. I found out through the building department that you need a permit to move the fence. I would have been fine with all of this. This started with the past guy when I asked for some assistance as I just purchased the property. In 2008, the property had the fence line already in place. I acknowledged it right from the beginning, but I have been getting some personal attitude and I do not like it. I am an easy-going guy, and my wife asked to have the Board contact her attorney due to a situation that I am involved with. It was never done. I asked for my name and her name to be put on the letters from Melrose Management. She needs to be on it. She is a deed holder, too. She was disrespected and no one answered her as far as I know. If I am wrong, I apologize.

Mr. LeMenager stated there is no relationship between the CDD and Melrose Management. That is the HOA.

Mr. Heaphy stated that is fine. I am still trying to get all of the paperwork from Melrose Management on who approved the fence in 2008 that was put on my property. The sprinkler system was put on my property in 2008. I am going after my title company

because they did not do the right thing. They screwed me over and my wife over. I am taking care of the issue. The sprinkler line was broken. The fence was not put properly in the right place. Apparently someone said that they have been knocking on my door trying to get a hold of me. I do not have copies of certified mail. Anyone could have asked me how they could help me move the fence. It would have been fine. The issue is that the sprinkler was broken and they put the fence in the wrong place again. Chapco is the fence company that installed the fence in 2008. I have a picture of the survey stake that Chapco put in and the fence. They moved it in four more feet.

Mr. Moyer stated I do not know this for a fact, but Mr. Boyd might be able to tell you this. It is not unusual to offset survey stakes.

Mr. Heaphy stated I agree. I am learning. I have \$4,000 worth of plants that I have to move. The problem is the fence is off by four feet. They could have come up to me and said something. Someone said that they knocked on my door to try to get a hold of me. I do not live at the residence right now, but they scared my wife, and I do not like that either. She told them not to move the fence, but they did whatever they wanted. That is inappropriate. They could have called me. You guys know me. I live in the neighborhood. I do not know how long the sprinkler system has been broken.

Mr. Berube stated but you knew it was broken and it was running today. I went by there.

Mr. Heaphy asked how much is that going to cost me?

Mr. Berube responded wait a minute. You are going to complain about the water costs when you know that it is broken.

Mr. Heaphy stated I cannot go onto the property. You have to talk to the home owner.

Mr. Berube asked if we have to talk to the owner, why are we talking to you?

Mr. Heaphy responded do not get wise because I am not in a good mood.

Mr. Berube stated that is enough, sir.

Mr. Heaphy stated all I am saying is it could have been done in a better way.

Mr. Walls stated no one comes in and talks to us like that.

Mr. Berube stated I agree.

Mr. Heaphy stated I apologize.

Mr. Berube stated you keep apologizing. Let us get right down to the facts. Last August you came before us and promised us that by March 31 you would get this matter resolved.

Mr. Heaphy stated I had a cancer scare. I had to deal with four months worrying about cancer, so do not even go there.

Mr. Berube stated March 31 came and went with no contact from you.

Mr. Heaphy stated I do not have any certified letters. I was wrapped up in all of this stuff.

Mr. Berube stated let us get to the point. What do you want?

Mr. Heaphy responded I would like an apology from the Board as you could have handled this smoother. When I spoke to Mr. Moyer, he told me the contracts were already issued. I asked him with whom the contracts were and he did not give me an answer.

Mr. Moyer stated I provided you that information.

Mr. Heaphy stated I never received it. I am sorry.

Mr. Moyer stated I provided you the contract and the survey proposal. I provided all of that.

Mr. Heaphy asked was it sent certified? I am not looking to fight with the Board about this. I just want the sprinkler system repaired and I want the fence put on the right radius. Then I am done. It is not your fault. I have to get the title company to take care of this. They made a huge mistake. So did someone eight years ago in Harmony.

Mr. Berube stated you do not know that. That fence could have gone up without an approval. It happens every day.

Mr. Heaphy stated Chapco Fence pulled the permit in 2008.

Mr. Berube stated I understand that, but that does not mean that they had approval from the HOA. It happens every day.

Mr. Heaphy stated I do not believe that. You cannot have your garbage can out in front. I am just saying.

Mr. Berube stated I do not know what to tell you, sir. We have heard you.

Mr. Heaphy stated now I am still in the process of moving the bushes. Next time, certified mail would be a help. Also, you did not put the fence in the right spot again.

Mr. Moyer stated we will get the surveyor to tell you where that stake is.

Mr. Heaphy stated I know where it is. It is still sitting there.

Mr. Boyd stated they may have offset it from the property corner.

Mr. Heaphy stated all I am asking is to put the fence in right place and that is it. I will be done. I know it is not my fault or your fault. There were things said about me that did not sit well. I am a pretty calm person, but I got upset. I spent a lot of money on the home. The title company dropped the ball and I am left holding the bag. Put yourself in my position. My wife did ask for people not to do things and they did it anyway.

Mr. Moyer stated that is right not to be argumentative, but you were given the opportunity to cure that and time went by and there were no communications with this District about your inability to correct the situation. We sent out two or three letters advising you and your wife of the situation.

Mr. Heaphy stated if I missed those, that is fine, but you need to send them by certified mail. If I would have known stuff was going on, I would have been more amenable, and it would have been more easily addressed. I apologize for the foul language.

Mr. Moyer stated if you are not living at the house, even if it is sent certified, you are not going to receive it. It is going to come back to me saying that no one signed for the certified mail. It is better not to send it by certified mail if you really want to get it.

Mr. Heaphy stated I am just saying that what was said in the minutes like stonewalling is not appropriate. I am not a stonewaller. I am here addressing it. People do not know that I would have taken care of it. I was doing the best I could.

Mr. Berube stated from this perspective, from August to March 31, you said it would be taken care of. Those were your words. You stood right over there and said them.

Mr. Heaphy stated I am not disagreeing. However, from August until March 31, I did not know that I would have to deal with four months of worrying that I had cancer.

Mr. Berube stated until people ended up on your property moving things around, there was no commentary from you at all. You did not say a word. You said to put myself in your shoes. Put yourself in my shoes.

Mr. Heaphy stated the point is this is a small neighborhood and people knocking on doors did not happen. The only person who knocked on my door was the guy who started taking the bushes out and he stopped because it did not feel right.

Mr. Berube stated you said a minute ago that you see me around the neighborhood all the time and asked why I did not say anything. I will tell you why I did not say something. Because at that point, it is out of my hands.

Mr. Heaphy stated it is not out of your hands. You could have said the Board is anxious to get this moved.

Mr. Berube stated we heard your complaint and we will take it under advisement. Thanks for letting us know.

Mr. Heaphy stated there was also an issue with the permit. I spoke to the head building inspector at the County, and he said that there needed to be a permit pulled. No permit was pulled.

Mr. Moyer stated they will find the contractor. The contractor pulls the permit. The District does not pull the permit.

Mr. Heaphy stated he did not pull the permit, either.

Mr. Moyer stated he is the appropriate party to pull the permit. If he did not pull the permit and he is licensed in Osceola County, their recourse is against the contractor.

Mr. Heaphy stated but now the fence is on my property and they are going to come after me. That is the problem. Maybe I made mistakes, but I had some issues. I asked for a little more time. They should have let me know. I asked for the permit and the job order so I could submit them to my title company.

Mr. Moyer stated I sent that to you.

Mr. Heaphy asked did you send the permit?

Mr. Moyer responded not the permit.

Mr. Heaphy stated that is what they asked for. They asked for the permit. I received the bill for \$700, which is actually reasonable by the way.

Mr. Moyer stated with that, I also included the work order and the survey.

Mr. Heaphy stated that is fine. The permit is going to be an issue again. How are we going to get it straightened out with the fence not being on the right line?

Mr. Berube responded we have a room full of people here and we have given you adequate time to speak.

Mr. Heaphy stated this is my half-million-dollar home.

Mr. Berube stated we understand.

Mr. Heaphy asked should I speak to Mr. Haskett later about the broken sprinkler system?

Mr. Berube responded I do not know.

Mr. Walls stated we are done as far as I am concerned.

Mr. Heaphy asked what do you mean that you are done? This is my house.

Mr. Farnsworth asked did you already say that you were going to be in contact with your title company?

Mr. Heaphy responded yes. That is why I need the permit.

Mr. Qualls stated Mr. Heaphy, what is happening now is that the rule is that speakers get three minutes to speak. I am listening and everyone else is listening. This has gone around in circles and is starting to abuse the basic rules of decorum and decency at a public meeting. We just need to move on under advisement of Harmony's general counsel. If you have more of a beef, this is not the forum to handle it. I think for the courtesy of all of the other people there, who abide by the rules during this part of the meeting, we need to cut this one off. Thank you for your comments.

Mr. Heaphy stated I just want to give you the pictures of where the fence was and the broken sprinkler line.

Mr. Josh Lofland stated two or three months ago I was here talking about pet receptacles over on Dark Sky Drive. What is the status?

Mr. Berube responded I thought we ordered some.

Mr. Haskett stated they should arrive any day.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Plant Maintenance – Bio-Tech Consulting

Mr. Medlin stated at the last meeting, I heard there is renewed interest in our company taking over the ponds quarterly.

Mr. Berube stated yes.

Mr. Medlin stated I can get you that proposal. I just wanted to recommend that we keep the monthly maintenance. There are a couple of reasons why I like that and I can answer any questions you might have. There are a lot of ponds. We just added two more. They are not huge, but there are a lot of different areas to treat and a lot of plantings and upland buffers need to be maintained. I really feel like the time in between our quarterly treatments, things could get out of hand. You need to stay on top of these

things. We use low-rate herbicides. They are selective. We take the ponds in a layered approach. We treat all of the ponds the same way. The next time we take another treatment and do that the same way. We run around each pond three or four times just to do one treatment. I feel like a quarterly event, after several months of no treatments, the grasses will spread too much. It will still take us five days in a row or in one month just to get through everything. I feel like we will still be spraying the same chemical or possibly more chemical than we would on a monthly rotation where we can spot spray here and there to keep up with it better.

Mr. Berube stated we had six ponds on quarterly maintenance for two years. No one has noticed any significant change in the aesthetics of the ponds.

Mr. Medlin stated it is a handful of ponds. I remember when I was maintaining them that those were the easy ones. They were in good shape before and have good Bermuda grass buffers, which help a lot. They are all planted and have grass carp. The other ponds seem to be tougher to maintain as they have wider buffers. Some of them are full of exotic plants. Especially when we have all of this rain and the high water level, the exotics want to shoot right into the plantings that you paid for. I asked Mr. John Miklos how the quarterly ones were going and he said pretty well. The home owners may see something and ask us to check the spot more often. Those ponds were in pretty good shape.

Mr. Berube stated what you are telling us is, you think there would be some declination in quality if we go to quarterly services.

Mr. Medlin stated I think so. I think we can do a better job. As plants get taller with two to three months of growth and spreading out a little more, we may have to kill some good stuff to get rid of the bad, which we try to avoid with our treatment methods.

Ms. Kassel stated I remember Mr. Golgowski mentioning last month about the concern regarding copper herbicides and if this affects the ponds, as we are using copper every month and the fact that it accumulates. Have you thought about reducing the use of copper herbicides?

Mr. Medlin responded that actually is trending in a lot of communities. They do not want copper-based products. I do not think that is the main thing we are actually spraying here. We seem to have one or two ponds that I seem to remember needing frequent algae treatments and that is what the copper is for. We also used a liquid form

of copper and not the copper sulfate, which is the crystal form. The rates are very different as far as how much copper sulfate it takes to put in a pond to treat algae compared to the liquid copper. Because of the way it is formulated, it is designed to work better and we use much less of it. I can look back at the maintenance list for the past few months to find out how much copper we have actually used here. It may not even be that much.

Mr. Ray stated I have a hard time reconciling the fact that we have several quarterly ponds now. If I remember back when we changed that, we did not pick those ponds because they were the best-looking ponds.

Mr. Berube stated no, we picked the residential ponds, versus are the golf course ponds.

Mr. Walls stated not that I do not believe what you are saying, but I do not know enough about it to say one way or another. I need to do more research on my own to see what other communities are doing to make sure we are in line with that and best practices.

Mr. Farnsworth stated I thought there was an agreement that you were going to try the quarterly maintenance for a while and if necessary, go back to the monthly maintenance.

Mr. Berube stated that was one of the things we discussed.

Mr. Walls stated a few years ago we said we would try it.

Mr. LeMenager stated when an expert tells me something, I do not question it.

Mr. Berube stated I am not going to argue as the ponds look good. I hear what Mr. Medlin is telling me and I have the same concerns over the copper. These guys have treated us fairly well over the years and there may be some money savings going quarterly, but I do not want the ponds to look bad.

Mr. Medlin stated when mulling over the quarterly treatments, I was thinking about having to increase the price. That was to sway you to going monthly. However, I had to take into consideration that we could be getting called back here in between treatments just to treat one pond. I also had to think about the extra time it might take and extra chemical and a second crew for a few days to get things caught up depending on how it looked. It is difficult to turn our backs on these ponds.

Mr. Berube asked how about if we stay the status quo and we will revisit this at some point in the near future? At this point, we will leave things as they are and look at it six

months from now or a year. I am sure at some point you are going to want to come back with a price increase. We will discuss it then.

Mr. Medlin stated fair enough.

Mr. Berube stated we are taking your professional judgment. You have been around here for a long time and everything has been good. I do not want to change that too much.

B. Landscaping

i. Davey Tree Monthly Highlight Report

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

Mr. Berube stated Mr. Garth Rinard contacted me today with an email update. There is not a lot going on with the trees out in the Town Square, where cultures were taken. Davey Tree Institute has come up with a plan for hardening the tree's ability to fend off diseases, and I guess they are going to start that program. There are two different liquid applications. There was not much else except for some hot spots showing up across the property. A quote was provided to the Board for \$3,158.84 for tree replacements in H-1. One was for a tree that broke off in a storm. Another was for a tree that died due to lack of water. There is another one on Buttonbush Loop for a tree that has been missing for some time, two on Sundrop had died, and one on Indiagrass died. The H-1 replacements are our responsibility because we absorbed H-1.

Mr. Walls asked are those trees are under warranty for a period of time? They have only been there for three to four months.

Mr. Berube responded one tree died due to storm damage. How do you warranty that one?

Mr. Walls asked what does the warranty usually cover? I know when you get landscaping for your home, like from Home Depot, they warranty it for a period of time.

Mr. Farnsworth stated they do not warranty for acts of God.

Mr. Walls stated I think they should replace it.

Mr. Berube stated one died due to lack of water. I do not know whose fault that is. The quote is for six trees in H-1. I question the warranty as well.

Mr. Walls stated I think we ask them for it. We do enough work with them.

Mr. Berube asked if they say no, what do you want to do?

Mr. Walls stated we will pay for it, but it does not hurt to ask.

Mr. Haskett stated a few years ago, we had a policy where if a street tree died, the District would replace it. We replaced some trees in the past in front of home owner's lots, and they died. My recommendation is that we only replace it once and then have some mechanism to have the home owner start paying for it. If they are not going to take care of the trees, we cannot keep paying \$500 every few months.

Mr. Farnsworth stated the strips in most places are not on our property or home owner property. If a tree dies there, the home owner does not have any responsibility.

Mr. LeMenager stated that is wrong.

Mr. Haskett stated the home owner has the responsibility to maintain it if the District is not maintaining those areas.

Mr. Farnsworth stated in some of them, the area is maintained by the District, but if the tree dies there, the home owner does not do anything.

Mr. Haskett stated that is correct.

Mr. Berube stated on the outside streets, that is the case. The water and maintenance comes from the District. The inner streets are what Mr. Haskett is referring to where the home owner has sprinklers out there, which should be spraying their grass and to some degree, the trees. We had a number of problems some years back when we had a lot of empty houses because the water and electricity were off. However, most houses are full today and most people's irrigation should be running. I mentioned to Mr. Jon Rukkila about watering the trees after they are installed. He said he has a door hanger that he can put on houses, which may help with that. I do not necessarily agree with your commentary because if people are not running the water, we should not be spending the public's money to replace trees every other year because they die. That is something we will have to develop a system for. We have a quote for six trees as authorized by Mr. Haskett after Mr. Rukkila performed a drive around. We have a question of asking Davey Tree for a warranty on two trees, which would be \$988 if Davey will do that.

On MOTION by Mr. Berube, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the proposal from Davey Tree for six tree replacements in Neighborhood H-1 in the amount of \$3,158.84, subject to asking Davey Tree for a warranty on two trees in the amount of \$988.

Mr. Berube stated as we do the future transition, we will have to come up with a system for monitoring these things. This is a good start.

C. Field Manager

i. Dock and Maintenance Activities Report

The monthly dock and maintenance activities report is contained in the agenda package and is available for public review in the District Office during normal business hours.

ii. Buck Lake Boat Use Report

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

Mr. Haskett stated Ms. Kassel asked me to attend one of Mr. Golgowski's conservation cafes, which I enjoy doing. We took some residents down to Buck Lake and discussed the lake and boating activities. It was a decent crowd. That was enjoyable. Mr. Golgowski wanted me to mention a couple of things about kayaks and deposits.

Mr. Golgowski stated we have all been interested in seeing more kayak activity and boating activity in general. What has been going on for the past three weeks is, one of our residents, Ms. Marilyn Mower, has been leading kayaking trips on Thursday mornings. For the past three weeks, they have had everything going out. In fact, we had a waiting list for one week.

Mr. LeMenager stated that does not mean we should buy more.

Mr. Berube stated not yet.

Mr. Golgowski stated it has been well received. A whole new group of people got an experience with the lake. There is a resident-led effort to conduct fishing classes for adults to get more people involved with the lake. There are so many things that could be happening at the lake.

Mr. Berube asked does that have anything to do with the kayaks because we purchased fishing kayaks?

Mr. Golgowski responded yes, we did. Mr. and Mrs. Toomey and Mr. and Mrs. Walls are heading the fishing effort. There are good things happening with getting people involved with the lake. We would like to do more kayaking and canoeing, not so much in taking the pontoon or motorized boats out. Is there a way we can set up a separate category of boating units that might not have to pay that security deposit since it was really directed toward the potential for damage to motors? It is tough to break a canoe.

Mr. Berube asked are we charging a security deposit to use the kayaks?

Ms. Kassel stated all boats.

Mr. Golgowski responded yes. If you want to take a boat out, you have to go through the orientation, which is good, and also put down a deposit.

Mr. Walls stated the security deposit covers everything.

Ms. Kassel stated we can make a policy decision with the kayaks and canoes that a deposit is not required.

Mr. LeMenager stated it is in the rules. I do not think you can change the rules for a policy decision.

Mr. Golgowski stated I am just giving you the feedback that is coming back so you can move forward as you like. Otherwise, everything else is good.

Mr. Berube stated the reality is, all the people using the kayaks now have already gone through the deposit situation.

Mr. Golgowski stated they have not. They are going out as a group activity sponsored by the Development Company. They are signing waivers and everything else, but they not putting down a deposit for this one-day event, but they do if they want to go out alone.

Mr. Walls stated I fully support it and what you are doing and do not think they should have to pay the deposit. If we are letting people take the boats out without going through the channels and the rules, I think we are circumventing the rules.

Mr. Berube stated it becomes a slippery slope. Do you want to make a policy exception for kayaks and canoes? I did not know we included kayaks and canoes in the deposit.

Mr. Farnsworth stated no distinction was made.

Mr. Berube stated I agree.

Mr. LeMenager stated next time we redo the rules, we can discuss this.

Mr. Golgowski stated I just wanted to raise interest and did not expect it to be resolved tonight.

Mr. Berube stated I am glad someone is using the boats and they are being well received. Usage seems to be staying steady, if not increasing.

Mr. Haskett stated there are lots of new faces out there at the boat orientation. We are including more classes and had some requests for evening classes off our normal schedule, which is fine with our staff.

Mr. Farnsworth stated your comments column is interesting. You had one cancellation. Did you ever get back in touch with them?

Mr. Haskett responded I think they used the boats after that. It happens sometimes.

Mr. Berube stated last month we had a phone purchase from Sprint for an employee phone that got damaged.

Mr. Haskett stated yes.

Mr. Berube stated I understand from you that the phone is being paid for by the employee who damaged it through their payroll deduction.

Mr. Haskett stated it is.

Mr. Berube asked how does that money get funneled back to the CDD? We laid out the money for the phone, and that employee is out on health-related issues at this point in time and may not come back. At that point, we have a problem. Clearly, you are the employer. I think the phone should be yours, and you should get the reimbursement from that particular employee.

Mr. Haskett stated we will have to work it out somehow. We will look at it tomorrow.

Mr. Berube stated I know it is kind of a surprise, but it is dangling out there.

Mr. Haskett stated it is no surprise.

Mr. Berube stated the other issue I had a beef with was this water meter for the west park. I believe that is neighborhood H-1.

Mr. Haskett stated yes.

Mr. Berube stated the first beef I have is that Toho Water Authority extracts \$40,000 to \$50,000 a year from us, and that bill gets paid every single month on time without a hitch. Now we are going to put a water meter in and they demand a \$1,000 check before they will install the water meter.

Mr. Haskett stated yes.

Mr. Berube asked does that seem right to you?

Mr. Haskett responded no, and I did not want to comply, but if we did not do this, we do not get water.

Mr. Farnsworth asked what is the \$1,000 for? Is it a deposit or installation cost?

Mr. Haskett responded that is not a deposit. It is a one-time fee that they charge.

Mr. Berube stated that is step one, but step two is that is part of neighborhood H-1, which the developer paid all of the developments costs on, including the sprinklers in the ground, valves, swing sets, benches, and dog receptacles. Why does a water meter that is going in Neighborhood H-1 come back to the CDD for payment? Why is that not part of the infrastructure that got turned over for future maintenance?

Mr. Haskett responded the way I saw it and the way it was laid out to me, it is the CDD's water meter.

Mr. Walls stated I saw the invoice and was going to ask you about it because we did not have any input in the design, construction, planning or anything for that area. If there is an area that is not getting irrigation, we had nothing to do with that.

Mr. Berube stated it was an operating turnover for the pipes and electric meters, and maybe we did pay for some of it. I understand it is our responsibility to pay for the meter fee going forward, but why do we pay for this if it is clearly part of the infrastructure?

Mr. Glantz responded it is like getting electric service in your house, for which you pay a deposit up front, and that is what they are asking for. Then when you sell your home you get it returned to you. We will look into it.

Mr. Berube stated I am not arguing that. I agree with you, but this stands out because we did not pay for anything else in that neighborhood to make it operational.

Mr. Walls stated this is not a deposit. This is installation of equipment.

Mr. Berube stated step three is, now we are going to pay a monthly fee for the \$1,000 meter that someone just purchased. The last three Davey Tree invoices had to do with upgrades, mainly flowers. Does this have to do with the trees coming out? One is from March for \$3,000 for mostly annuals in bedding areas located at the Harmony Square flag pole and crepe myrtles.

Mr. Haskett stated that was for the annuals that were put in right around the Dark Sky Festival. Deer had come in and devoured them for the first time in 10 years, so they needed to be replaced.

Mr. Berube stated so this was not part of the upgrades and other things that we had going on. These were just routine maintenance and sprucing things up.

Mr. Haskett stated yes.

Mr. Berube stated it was submitted to us on March 25 and you approved it on June 13. Did this get lost somewhere?

Mr. Haskett responded I had some things changed to reduce the cost.

FIFTH ORDER OF BUSINESS

Developer's Report

Mr. Glantz stated we are going to have a Town Hall meeting on August 27 in this room at 6:30 p.m. We are going to address many issues that have been brought to our attention. I run into people all the time who tell me they heard a rumor. We are going to be addressing many items that the developer is adding, changing, or doing. We have several festivals coming up. We are going to be showing people pictures of a new entry that we putting in on the west side at our expense. I can certainly take questions about it, but I would rather you come on the 27th so I can answer questions at one time.

Mr. LeMenager stated one issue came up last month and I wanted to understand the approval process for changing the office space into residential housing. Talk me through where you are going to place the offices instead, but also the approval process because at some point, this body has to accept it. Is there a plan filed with the County that the County has to approve a change on?

Mr. Boyd responded the entitlements for the development are rolled into two documents: the Development of Regional Impact (DRI) and PD zoning. The DRI is a high-level, macro document. Harmony is a mixed-use development, and this CDD was created to fund infrastructure in one portion of the mixed-use PD Zoning District. The developer or landowners within the property have the right to go back to the County and amend, change, or revise the entitlements to move the entitlements that are established in the DRI and the PD Zoning District around. Generally they are not going to change as far as what is entitled, but as far as what goes where, that can be changed. It does not mean it is going to go away. As you know, you have a large Town Center District here and I think everybody believes it would be nice to concentrate commercial and office uses as close to the Town Center as possible. Changes to the PD zoning do not require the CDD's approval.

Mr. LeMenager asked what is the zoning process? You have to go to the Zoning Board and ask for approval.

Mr. Boyd responded correct.

Mr. LeMenager asked is there an appeal process?

Mr. Boyd responded the zoning application goes to the County Planning and Zoning Commission and then it goes to the County Commission. All of the residents are noticed on those hearings. Signs will go up in the community showing the dates of the public hearings.

Mr. LeMenager stated my concern is, what is the vision going forward, not wanting to live in a bedroom community in the middle of nowhere but rather wanting to live in a place that is going to develop into a real town with businesses and offices.

Mr. Boyd stated that is one of the reasons for the town meeting, which is to share those ideas with you in advance of anything going before the County.

Mr. LeMenager stated I see that it is already in the budget.

Mr. Berube asked whose budget?

Mr. LeMenager responded our budget.

Mr. Glantz stated it would be easier if we present everything at one time.

Mr. Berube stated absolutely.

Mr. Glantz stated as I told this Board at the last meeting, for the benefit of residents who were not here last month, I represent a company called Starwood Land Ventures, which is a division of Starwood Capital, who is the majority owner of Harmony. Starwood Land Ventures owns and manages numerous master-planned communities in the Orlando area, throughout Florida, and other States around the country. Starwood Land Ventures is an entity that started in 2007. Starwood Capital got involved with Harmony in 2005. Therefore, Starwood Land Ventures was not managing this community up until six or eight weeks ago. Up until that time, it was Starwood Capital. They elected to have an individual as a general manager here on site. We manage Starwood Land Ventures somewhat differently. We have different experts who come in and manage different segments of the project. I am taking the role as general manager; however, I defer to other people for other areas of expertise. Mr. Boyd is our civil engineer, and he is working with a group for the development work. We also have people who work with us for HOA and other management issues. Rather than me being here five days a week, I can be here for one to two days a week for these general manager issues. We have very successful communities in Orlando. I will bring pictures and explain what we do in other areas and all of the exciting ideas we have for development moving forward. I think everyone will be pleasantly surprised and pleased on how we are going

to progress things. There have been some rumors. In fact, a resident heard a rumor and decided to post it on Facebook. They included the email addresses of senior management for our venture capital firm in Greenwich, Connecticut, which actually makes no sense. It will never reach them. For quelling a rumor if we are going to cancel a small event that is occurring in Harmony, it does not relate. I immediately called this home owner and asked her to come in. I asked her not to spread rumors and if they had a question, I would be happy to answer it. Out of our discussion, we agreed it would be a good idea to have a town meeting. I have done this before. I believe we will be prepared. It is not being held until August 27, for the reason that we have several things that we are working on. That would be the best time to collect all of our information, pictures, and drawings. The civil engineer will have a lot of items to prepare for me in advance so we can show you pictures of new communities and new homes going in. It will not be a sales program, but sharing with everyone who is interested in the community what is going in. Rather than taking up the CDD's time, I just want to say the biggest thing everyone is going to be interested in what we are doing in the future is, we are going to start development in September on two parcels: H-2, which we are calling Hawthorne, and F, which we are calling Cherry Hill. Combined there will be just over 100 home sites. It is out for bid right now. Our civil engineer will be receiving those bids next week and some earth will be moved. There are no lakes to be excavated for those two sites, so the earth moving may not be as comprehensive. Parcel F, which is across the street from the school, does require quite a bit of imported fill. There will be trucks running and we will be cognizant of other residents. We will do a very nice job of cleaning up the roads and keeping dirt to a minimum. We will be good neighbors. That development will be completed around January, but the engineer's certification and acceptance by the County will probably be closer to February. We will start building homes in there in February or March. That is more or less our schedule.

SIXTH ORDER OF BUSINESS

Approval of Use Applications

- A. Town Picnic – Buck Lake Pavilion**
- B. Art and Music Festival – Buck Lake Pavilion**
- C. Town Picnic – Buck Lake Pavilion**
- D. Father & Daughter Geocaching Adventure – Buck Lake Pavilion**
- E. Snow Cone Pool Party – Ashley Park Pool**
- F. Splish & Splash – Swim Club Pool**
- G. Labor Day Pool Party – Swim Club Pool**

H. Back to School Pool Party – Swim Club Pool

Mr. Moyer stated I recommend that you give me direction on these application .

Mr. LeMenager stated I read all of the applications and am all for them.

Mr. Farnsworth stated I have no problems with them.

Mr. LeMenager made a MOTION to approve all use applications as presented.
Mr. Farnsworth seconded the motion.

Mr. Walls stated I have no problem with the ones by the Harmony Development Company so long as the access restrictions on the pool remain in place, meaning if you have a card, you can come in and bring your requisite number of guests.

Mr. Farnsworth asked which ones do you take exception to?

Mr. Berube responded the four pool parties are all going to be the responsibility of the developer.

Mr. Walls stated I have no issues with those as long as they follow the rules.

Mr. Berube stated I agreed because we made great efforts. Mr. van der Snel is here tonight. The complaints at the pools have gone down to zero. It has been more than a month since I received a complaint about the pool versus routinely receiving five or six complaints on the weekends. Good strides have been made and there have been no Facebook posts about problems at the pools. People are happy. I agree with Mr. Walls's commentary. We have made great strides with security at the pools. If there is going to be a party, that is fine, but the access restrictions have to be in place. You must have a card to come in.

Mr. Walls stated as to the town picnics, I have an issue with outside groups coming in and using our facilities. I understand it is called the Church at Harmony, but it is a group that invites everyone to come, which is great. They are defacto using Harmony CDD property that the residents pay for.

Mr. LeMenager stated they are having a picnic under the pavilion.

Mr. Walls stated this is going to be ongoing every month.

Mr. LeMenager stated every month, I am going to suggest we approve all of them.

Mr. Walls stated I am not. I do not have anything against the church or the group. Let us say you let them in; who else comes in? You are setting a precedent.

Mr. LeMenager stated people reserve the pavilion all the time.

Mr. Walls asked what happens when the Klan or some outside group comes in that we do not like?

Mr. LeMenager responded then we will review that application and perhaps we will not approve it. No precedent is being set.

Mr. Walls stated I am not going to vote to approve those applications.

Mr. Berube stated we had this discussion before and we know we have to go back and revisit the rules at some point for the boats. We have another issue with the rules, which is the dog registrations, which we missed this time around. Things have changed. When we move into the first quarter of next year, we can look at the rules. I believe that Mr. Walls wants to set up some sort of fees or restrictions in the rules for usage of the pools and other facilities. I get it. I am fine with these applications, but I agree that we are setting a precedent by letting people use our facilities.

Ms. Kassel stated I agree with Mr. Walls because the pavilion has been reserved pretty much every Sunday from noon to 4:00 p.m. That means that residents who want to do something at the park cannot at those times. We do not get quiet enjoyment of the use of the park on Sundays due to outside groups. I am not going to vote to approve those, either.

Mr. LeMenager stated with all due respect, we both live across the street from the park. There are activities there all the time. We just had the cheerleaders and youth football players last Saturday. Frankly, I love that. That is what the park is there for. These folks want to have a nice picnic. I am all for it. I do not understand your position and Mr. Walls's position. This is exactly the kind of stuff that we want to do in Harmony.

Mr. Walls stated there is a cost to residents that these outside groups are not paying. We are paying for them.

Mr. Farnsworth asked what cost in this particular instance?

Mr. Walls responded maintenance and upkeep. If someone wants to have a birthday party there, which happens all of the time, we end up cleaning up.

Mr. LeMenager stated I appreciate that, but I go back to my same example of St. Cloud. We can all go down and use the park and beach at St. Cloud, and we do not pay a penny. It is a public park. We happen to be the public body that pays for this one. Guess what. We can use public parks in Orlando.

Mr. Berube stated we are the public body who spends the residents' money to maintain those facilities. There is a slight difference there.

Mr. LeMenager stated there are other public bodies that are paying for others to use the facilities. Do you think the beach in St. Cloud is free?

Mr. Berube responded no, but these folks pay county taxes and our special assessments.

Mr. LeMenager stated it not county. It is the City of St. Cloud.

Ms. Kassel stated if you want to reserve a space at the St. Cloud park or beach for an organized activity, you are probably going to have to pay a fee. For me, it is not just about the money. I have a problem with outside groups interfering with residents being able to use their space at that time.

Mr. Berube stated we are not going to resolve this issue tonight. We brought it up again. We slid by it last time when we did the rules and we had this conversation. We continue to have this conversation. We are going to have to settle it, but we are not going to settle it tonight.

Upon VOICE VOTE, with Mr. Berube, Mr. Farnsworth, and Mr. LeMenager in favor, and Ms. Kassel and Mr. Walls against, approval was given 3-2 to approve all use applications as presented.
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Mr. Berube stated we will revisit fees next quarter. We have this discussion every single time, but we never get anywhere. We need to settle it.

SEVENTH ORDER OF BUSINESS

District Manager's Report

A. June 30, 2014, Financial Statements

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

Mr. Moyer stated the District has collected all of its non-ad valorem assessments and we are fully funded on the revenue side. On the expenditure side, we are doing well in each of the major categories. We are slightly under budget on all of them, so through the first nine months of our fiscal year, we are \$44,000 under budget on the expenditure side.

Mr. Berube stated it looks like the trend is going to continue from what I can tell, looking at versions three and four of the budget. We are still trending along the same line.

Mr. LeMenager stated we have not paid \$161,000 for lights in neighborhood H-1 yet either.

Mr. Berube stated no, but we know where the money is coming from.

Mr. LeMenager stated it still gets reflected in the budget.

Mr. Berube stated I understand. The bottom line is we are in good shape financially and things are working out well.

B. Invoice Approval #171 and Check Run Summary

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

Mr. Walls stated there was an invoice for park benches. It is reflected as a \$7,000 charge, but it looks like the development company paid that already. Is that correct?

Mr. Haskett responded yes. I do not know if the second one showed up. The one you are speaking of is for neighborhood H-1. That was how it was accomplished to go through the vendor.

Mr. LeMenager stated we agreed to do that to avoid sales tax.

Mr. Walls stated we paid it and you reimbursed us.

Mr. Haskett stated that is correct.

Mr. Berube stated there is an entire email trail covering that.

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to the invoices, as presented.
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C. Report on Number of Registered Voters - 776

Mr. Moyer stated this is a requirement under Chapter 190, Florida Statutes, which is the District's enabling legislation. Annually we have to enter into the record the number of registered voters. We have received that number from the Osceola County Supervisor of Elections. We currently have 776 registered voters. That has no meaning to us today. This was one of the items that we had to track because when we exceeded 250 registered voters and been in existence for six years, that then determined the way we handled our elections. As you are all aware, for a number of years now, we handle our elections through the Supervisor of Elections as a general election and not a landowners election. Having said that, we still need to enter that number into the record every year.

Mr. Berube stated that means the residents elect all of us. Every couple of years, some seats come open and are subject to election.

Mr. LeMenager stated Mr. Berube and Mr. Walls both ran unopposed and were re-elected to their seats for this year.

D. Questions and Comments on the Proposed Fiscal Year 2015 Budget

Mr. Moyer stated I believe we incorporated most of the changes that the Board talked about at the last meeting. We are moving forward to our public hearing on August 28. If the Board wants to make additional changes or ask for clarification, this would be a good time to do so.

Mr. LeMenager stated I wondered about the two offices. That means only part of the offices are being included.

Mr. Walls stated I think we talked about that last month about the office that is now in the platted section, which is now the Town Center.

Mr. LeMenager stated they both say “office.”

Mr. Berube stated that must be the office area and golf course, and the unplatted are the areas out in neighborhood H-2 and elsewhere.

Mr. Boyd stated unplatted would be all of the vacant land.

Mr. LeMenager asked does “office” mean the shops?

Mr. Boyd responded one of the buildings in the Town Center.

Mr. LeMenager stated you can understand my confusion. Basically we are proposing a 13.5% increase to operations and maintenance to pay for lights.

Mr. Berube stated yes.

Mr. Walls stated it is offset by a decrease in debt service.

Mr. LeMenager stated talk me through 2014, because I did not see how the numbers actually worked from the previous one. If I do the comparison, the bill was going to be \$1.4 million and now it is going to be \$857,000, but we are only \$180,000 cheaper. I do not understand the math.

Mr. Boyd stated it has to be a timing issue because it is not a full year.

Mr. Moyer stated what we did for budget purposes was the real savings, which on a going-forward basis when you look at the amortization schedule, was \$178,000.

Mr. LeMenager stated I am not making this up.

Mr. Berube stated he is right.

Mr. LeMenager stated I am looking at the numbers and I can see that they do not add up. It was \$1.4 million before and now it is \$857,000 for the first year. I did not understand that.

Mr. Moyer stated you are right for the first year. Look at the debt service.

Mr. LeMenager stated I understand that.

Mr. Moyer stated we did not address what happens to that money. What we did was take the \$178,000 and put it in this budget because on a going-forward basis, that is the money you are going to have.

Mr. LeMenager asked where is the other \$400,000 going? It is still going someplace. Do you understand my question?

Mr. Moyer responded yes.

Mr. Berube stated I was looking for the \$1.4 million in reserves that is going down to the \$700,000 reserve. I finally found that. I think it has to do with Severn Trent accounting.

Mr. Moyer stated I will get that clarified for you.

Mr. Berube stated that is a good question.

Mr. LeMenager stated thanks for getting us a 5% coupon rate. Last month you said it was 5.15%.

Mr. Berube stated the initial presentation was 5.35%. Then they timed it right so that day it went to 5.15%. We came out better. That is why the savings went from \$175,000 to \$180,000.

Mr. LeMenager stated for those of you who have not been following this, we refinanced the original bonds, saving a substantial amount of money, but we are not lowering your assessments because the other thing we found out this year is that we have \$3 million or \$4 million worth of off balance sheet financing for lights that somehow the original developer and original CDD Board managed to change from the original documents and when they actually did it. I am guessing this is a problem that is pervasive throughout the State of Florida, and companies like OUC are making an incredible killing saddling people with 20-year mortgages at 10.5%. That is what we are trying to do. Even though we saved a lot of money on the bonds, your assessments are not going to go down because we want to take that money and save a couple million dollars over the course of the next seven to eight years.

Mr. Berube stated it appears that you added a couple of lines to version four in Capital Outlay-Street Lights and Miscellaneous Contingency, which total just under \$140,000.

Mr. Moyer stated correct.

Mr. Berube stated I presume that is what is left from the \$180,000 savings after we modified this budget.

Mr. Moyer stated correct.

Mr. Berube stated we went over the initial budget presentation by \$40,000, which we expect.

Mr. Moyer stated right.

Mr. Berube stated at the end of the fiscal year, we may not make the decision to spend this money because the best street light buyout is going to be the first two, and those are going to cost \$500,000 to get done, if we decide to go that route. My point is, if we do not buy any in fiscal year 2015, how do we roll this money?

Mr. Moyer responded set up a reserve.

Mr. LeMenager stated we need to buy lights next year.

Mr. Berube stated not yet.

Mr. LeMenager stated I just heard that neighborhoods F and H-2 are coming online and are going to need lights. OUC is going to give us a bill. The last bill was \$161,000, which we have not received yet. I am guessing we are going to have to come up with a couple hundred thousand dollars.

Mr. Berube asked who said that we have to buy lights, just because we did in the past?

Mr. LeMenager responded I am not voting for a 20-year mortgage at 10.5%.

Mr. Berube asked why do we have to buy lights?

Ms. Kassel responded this is not a mortgage, but we may want to have Mr. Boyd give us an estimate.

Mr. Berube stated all I want to do is make note of the fact that somehow we do not want to lose track of this money, whether or not we spend it. I know you know that. Right now at the end of fiscal year 2015, if we do not spend that money, it is just going to blend in somewhere.

Mr. Moyer stated we will actually set up a sinking account.

Mr. Berube stated that is fine. We will either use that money for street light purchases or something else because we have a nice plan now and then nine months from now we forget and are doing other things. That was my only concern. Does anyone else have any concerns about this version of the budget? I thought it was pretty good.

Mr. LeMenager stated I am going to vote in favor of increasing my assessment 13.5%. I paid off my debt assessment, so any corresponding decrease will not affect me. Do we need to take any action? Are you going to publish this and then we vote on it next month?

Mr. Moyer responded you can change it next month during the public hearing, but we are pretty much locked in.

Mr. Berube stated all that means is that your assessments are not going up next year, and we are going to try to spend some of the savings to get additional savings going forward.

E. Public Comments/Communication Log

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

F. Website Statistics

The website statistics are contained in the agenda package and are available for public review in the District Office during normal business hours.

G. Approval of Organization/Company Use Applications from the Church at Harmony

This item was discussed above.

H. Discussion of Staffing Alternatives

Mr. Berube stated as Mr. Glantz signified a couple of times in his recent commentary, Harmony Development Company will not be renewing the employee management contract with us. That forces us to look at some other alternatives. I knew about this three weeks ago after a meeting with them where they solidified the fact that they want to be done with the employees for any number of reasons. I spoke with Mr. Moyer and Mr. Qualls, as well as Mr. Haskett, and you probably received an email from Oasis Staffing Alternatives, which is a personnel employment organization. Mr. Moyer will become the co-employer. It is a very similar arrangement to what we have now with Harmony Development Company where we will be the provider of jobs and Mr. Moyer will handle it. We all put our heads together to determine supervisory on the ground, and Mr. van der Snel rose to the top as the onsite supervisor. The other employees will follow behind that.

There will be a slight change. Some of this transition is already beginning because all of this stuff takes time, a surprising amount of time. We spoke to several staffing companies, and Oasis became the company. They wanted the contract and they fit into the budget. The most important part of this is, no one is going to lose their job, and it fits into our budget. The one piece that we do not have settled yet is health care. The Affordable Care Act has thrown the healthcare business into turmoil. It is very difficult getting anybody to look at a small group of our size, but we got it figured out. We should have those numbers tomorrow, but it looks like it will all fit into the budget without any significant problems. Part of the transition is, Mr. Haskett will be turning over most of his duties to Mr. van der Snel, and Mr. Haskett will be coming out of the trailer. Harmony Development Company/Starwood has graciously decided to deed us that trailer. They will move it over to an area by the golf maintenance facility and get it all set up. Our responsibility for that will be setting up the utilities there and staffing it up so Mr. van der Snel has an office to perform his duties. We already have a laptop and some of the programs have started to transfer. The expected expense of utilities, office equipment, and so forth is probably between \$3,000 and \$6,000 for that trailer. It is hard to tell yet.

Mr. Haskett stated they are right on target.

Mr. Berube stated this has to move. The reason that we got all of this completed in the background is because the staffing companies require 45 to 60 days to staff up and get ready to go. From tonight until October 1, we have 60 days left, so a lot of the background work has been done. Mr. Moyer has been involved in it. We have received the green light to proceed. I think Mr. Haskett is okay with Mr. van der Snel taking over the supervisory position. One of the reasons why Mr. van der Snel rose to the top is because when Mr. Haskett goes on vacation, Mr. van der Snel takes charge over the employees. That is pretty much where we are. The point is to get Board approval for what is going on and answer any questions. We tried to think of everything and it all looks good. The bottom line is that we hope for a smooth transition. The other thing that Harmony Development Company has offered is Mr. Haskett's time going forward to help with the transition because it is not going to be an easy transition. Some things only happen once a year. They have been very gracious in the entire move and that is where we stand.

Mr. Farnsworth asked is Mr. Haskett leaving?

Mr. Berube responded no. He has a new job.

Mr. Haskett stated I will continue to be involved with CDD items.

Mr. Berube stated he is going to come out of that trailer and go into the main office. As you heard from Mr. Glantz earlier, they have a bunch of other things going on here that will require his expertise. Time wise, he spends a lot of time with the CDD and that does not help them. I have been saying for a couple of years that we need to grow up and stand on our own, and this is just another step toward doing that. That is what is going on.

Mr. Walls stated the first I heard about this was from the guys at the dock. If you are comfortable with this company, we need to do it.

Mr. Moyer stated I agree with Mr. Berube. I think this is a good company. All of our employees in terms of HR and everything else are under Oasis. The only thing they will not provide is the onsite management of those employees, which then falls under my responsibilities. We will have to set up a system on how to do that.

Mr. LeMenager asked have you worked with them already?

Mr. Moyer responded no.

Mr. LeMenager asked who hires the employees for Celebration?

Mr. Moyer responded Severn Trent.

Mr. LeMenager stated that was the old system that we were not happy with.

Mr. Berube stated coincidentally, a guy I know who used to have a business managed by Oasis. They are based in West Palm Beach and he spoke very highly of them and never had an issue. They seem like a top-notch organization. I could not find any negatives. There were other companies out there who became ones we did not want to deal with. These guys rose to the top. That is where we are at. It was not a question of hiding all of this from the Board. It was a matter of timing. We are looking for the Board's consent because these guys need our approval to move ahead with moving the trailer. I see everyone nodding their heads yes.

Mr. Glantz stated I just wanted to add that we are going to be gifting the trailer and paying the costs of relocating and hooking up the trailer. We will have a use agreement for that trailer to be on Birchwood property. I am thinking about maybe having a yearly use agreement that has annual renewals. At some point, that trailer may not be convenient for us and we may want it gone. Then you would have to get your trailer off our site. That is the deal and I want to make sure that is clear.

Mr. Berube stated in a few years, there may be a different outlook to this and maybe there is office space somewhere else. So far, you have been very cooperative in fitting our needs and I think we are all okay.

There was consensus from the Board.

Mr. Qualls asked is the Board taking action right now? Is the contract with the employee management company going to be between the District Manager and that employee management company?

Mr. Berube responded yes, that is the way the contract is written. It says that the Harmony CDD, by and through its manager, contracts with Harmony Development Company. I anticipate that the Oasis contract will read the same way. I presume that is the way it is right now with Mr. Moyer and he is okay with moving forward. Is that your question?

Mr. Qualls responded yes. Will the next step be to approve the final details and put it into a contract?

Mr. Berube responded yes. I thought that I already sent you the preliminary agreement from Oasis.

Mr. Qualls stated you probably did. I am just trying to understand what action is being taken by the Board so I know the next steps to take. Is the Board giving its agreement to proceed and you want all of the final details brought back at the next meeting for final approval?

Mr. Berube responded yes. Everyone consented to the change. Now Mr. Moyer will contact Oasis and get the final underwriting done. Tomorrow we should have the final health insurance numbers. We will sort through that package and put all of our heads together and figure out what we need to do. That will start that 45- to 60-day clock.

Mr. Glantz stated not only will these employees be added to you, but they are also going to be terminated by us. We will need to coordinate that so it happens simultaneously. I just want to make sure that we communicate so this happens simultaneously for the benefit of the employees.

Mr. Berube asked do you have a problem with terminating the contract early?

Mr. Glantz responded no. We have an outside date of October 1 and our goal is to have this transition completed by October 1. That transition includes the people, the trailer, and the responsibilities of a number of things. To the extent that anything goes

beyond October 1, it is not earth shattering and is not an emergency. We are all still going to be here. But that is our goal.

Mr. Berube stated with these types of goals, there are always some unforeseen issues, but I think we are far enough along in the process. Mr. Andrew Stolz has already met with Mr. Moyer. I think once we pull the trigger on this, we are probably going to come closer to the 45-day end of this rather than 60 days. We will keep you apprised of what is occurring. If you are okay with some earlier date and they are ready to go, we will coordinate that and have a smooth transition.

Mr. Moyer stated there is one clarification. Currently the contract is with Harmony Development Company and the CDD. It is not through my firm.

Mr. Berube stated it says “by and through.”

Mr. Moyer stated I think the intent is that the management of those employees would be through the District manager. The actual contract is with the Harmony CDD.

Mr. Berube stated that is the way it is now. I expect that the wording will be exactly the same.

Mr. Moyer stated I just wanted to clarify that because I was thinking that you expected me to contract with Oasis.

Mr. Farnsworth stated that is what I thought I heard, too.

Mr. Qualls stated we think the contract should be between the District manager and the employment company precisely for the reason stated by the District manager. He is managing them. What the Statute says is the District shall have a manager who manages the works of the District. I just wanted to state for the record that our advice has been consistent. You make the policy decisions, but we think the greater weight of authority would support the contract being between the District manager and the employment management company.

Mr. Berube stated I read the contract we have now and it reads exactly “by and through its manager.” I would anticipate that the next contract will read the same way.

Mr. Farnsworth stated I am still confused.

Mr. Berube stated the way the employment contract reads is “The Harmony CDD, by and through its manager, contracts with Harmony Development Company.”

Mr. Farnsworth asked what does that mean?

Mr. Moyer responded I manage the employees on behalf of the CDD who employs me.

Mr. Farnsworth stated you are not handling the contract.

Mr. Moyer stated no.

Mr. Berube stated only the management of it.

Mr. Farnsworth asked are you okay with that?

Mr. Moyer responded I am fine with that.

Mr. Berube stated the CDD is not an employer. The manager handles the employees.

Mr. Moyer stated Oasis hires the employees.

Mr. Berube stated this is a co-employment situation.

Mr. Moyer stated we provide the direction to those employees. The actual employer would be Oasis.

Mr. Berube stated right. When you read their boilerplate language, it gets into all of that and those distinctions. They are there for exactly this situation.

Mr. Qualls stated the way the contract is currently written, yes, you have done it in the past. That is a policy decision, but it was over and against our advice, which is that the contract relationship should be between the management company and the employee management company.

Mr. Berube stated we will obviously look at all of this paperwork again when we receive it. I would like to thank Mr. Moyer for working with the various parties and getting this done to this point.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

Mr. Boyd stated I would like to provide an update on the alley repaving. Mr. Qualls prepared a contract, which Allstate Paving has. Hopefully, we will be able to get that executed within the week. The start date is the last week of this month. Therefore, we need to get the contract executed and get some notices out to give everyone affected by the construction adequate notice.

Mr. Berube asked was this anticipated to be a one- to two-week process?

Mr. Boyd responded they said they could start quickly upon execution of the contract. We just need to get the contract executed.

Mr. Berube asked what is the timeframe of doing the work?

Mr. Boyd responded two weeks. We are in the process of permitting two new neighborhoods, and the SFWMD is trying to make sure all of their paperwork and records are in order. There are two ponds those neighborhoods connect to: pond 8-5 and pond 2-3 and 2-2. Those ponds are certified complete and SFWMD records show them as being maintained by the District, which they are, which is correct. However, the documentation of that transfer to the District being completed is missing. They asked us to provide that record for them. I have copies for the Board. It is the same one we did not too long ago. I apologize for not getting this to you prior to the meeting, but this is something that just came up. All this does is re-establishes the fact that the District is the official maintenance entity of these ponds. It does not change anything that happened in the past or in the future. It just completes the record.

Mr. Berube stated these are not the pond numbers that we are familiar with.

Mr. Boyd stated these are the pond numbers per the SFWMD permit.

Mr. Berube stated Pond 2-2 and 2-3 is Long Pond where we put the concrete path around.

Mr. Boyd stated correct.

Mr. Berube asked where is pond 8-5?

Mr. LeMenager responded right along U.S. Hwy 192 in the front.

Mr. Berube stated they look fine to me.

NINTH ORDER OF BUSINESS

Supervisor Requests

There not being any, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for Thursday, August 28, 2014, at 6:00 p.m.

The meeting was adjourned at 7:45 p.m.

Gary L. Moyer, Secretary

Steve Berube, Chairman