

**MINUTES OF MEETING
PALM BAY
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Palm Bay Community Development District's Board of Supervisors was held on **Monday, June 8, 2015** at **9:30 a.m.**, at the **Courtyard by Marriott Tampa/Oldsmar, 4014 Tampa Road, Oldsmar, Florida 34677.**

Present and constituting a quorum were:

Rob Bergman	Vice Chair
Joe Aschenbrenner	Assistant Secretary
James Webb Jones	Assistant Secretary
Stacy Turner	Supervisor-Elect

Also present:

Chuck Adams	District Manager
Tony Grau (via telephone)	Gräu & Associates

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 9:31 a.m., and noted, for the record, that Supervisors Bergman, Aschenbrenner, and Jones were present, in person. Supervisor Croskey was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Newly Elected Supervisor, Joe Aschenbrenner [Seat 3] (*the following to be provided in separate package*)

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Joe Aschenbrenner.

Mr. Adams provided and briefly explained the following items:

- A. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. **Membership, Obligations and Responsibilities**
- C. **Financial Disclosure Forms**
 - i. **Form 1: Statement of Financial Interests**
 - ii. **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. **Form 1F: Final Statement of Financial Interests**
- D. **Form 8B – Memorandum of Voting Conflict**

Mr. Adams indicated that, as an incumbent, Mr. Aschenbrenner was familiar with all disclosure documents and the provisions of the Sunshine Law. He reminded Mr. Aschenbrenner to complete Form 1, which should arrive shortly, within 30 days.

FOURTH ORDER OF BUSINESS

Consideration of Appointment of Stacy Turner to Vacant Seat 2; Term Expires November 2018 (the following to be provided in separate package)

Mr. Adams reported that Mr. Croskey forwarded Mr. Stacey Turner’s name as an interest candidate for vacant Seat 2, expiring in November, 2018.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Jones, with all in favor, the appointment of Mr. Stacy Turner to Seat 2, was approved

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Turner.

Mr. Adams provided and briefly explained the following items:

- A. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. **Membership, Obligations and Responsibilities**
- C. **Financial Disclosure Forms**
 - i. **Form 1: Statement of Financial Interests**
 - ii. **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. **Form 1F: Final Statement of Financial Interests**

D. Form 8B – Memorandum of Voting Conflict

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2015-4,
Electing Officers of the District**

Mr. Adams presented Resolution 2015-4 for the Board’s consideration. He explained that, following each election or appointment, the Board is required to reconsider its slate of officers.

Mr. Adams reported that, currently, Mr. Croskey serves as Chair, Mr. Bergman as Vice Chair, the remainder as the Board as Assistant Secretaries, he serves as Secretary and Mr. Craig Wrathell as Treasurer and Assistant Secretary. Mr. Jones nominated the existing slate of officers, with Mr. Turner serving as Assistant Secretary.

**On MOTION by Mr. Jones and seconded by Mr. Bergman,
with all in favor, Resolution 2015-4, Electing Officers of the
District, as nominated was adopted.**

SIXTH ORDER OF BUSINESS

**Presentation of Audited Financial Report
for Fiscal Year Ended September 30,
2014, Prepared by Grau & Associates**

Mr. Grau presented the Audited Financial Report for Fiscal Year 2014. He noted that the “Independent Auditor’s Report”, on Pages 1 and 2, reflects a clean opinion.

Mr. Grau explained that the “Management’s Discussion and Analysis”, on Pages 3 through 6, depicted the District’s activity, throughout Fiscal Year 2014. The “Net Position”, on Page 5, reflected the District’s assets and liabilities, and net position for “Governmental activities” and “Business-type activities” and the “Changes in Net Position”. Additionally, Page 5 reflected the District’s revenues and expenses, on a full accrual basis. The total “Change in net position” was \$60,837.

Mr. Grau called attention to the “Balance Sheet Governmental Funds”, on Page 9, which reflected a \$94,000 “Total fund balance”, as of September 20, 2014.

Mr. Grau stated that the “Statement of Revenues, Expenditures and Changes in Fund Balances”, on Page 11, was the income statement for the “General” and “Debt Service” funds; the “Debt Service” fund was paid off, throughout t Fiscal Year 2014. He noted a\$52,272

increase in “Fund balance”, which contributed to the \$94,000 “Fund balance”, at the end of Fiscal Year 2014.

Mr. Grau referred to the “Statement of Net Position – Proprietary Fund”, on Page 13, which reflected a “Fund balance” of \$56,153, and the “Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund”, which reflected a “Change in net position” of \$32,801.

Mr. Grau reported no significant changes to the “Notes to Financial Statements”, on Pages 16 through 25.

Referring to “Note 6 – Capital Assets” for the “Governmental activities” and “Business-type activities”, on Page 22, Mr. Grau reported a depreciation expense of \$17,669, which was charged, government-wide. On Page 23, he noted that the remaining long-term debt of \$60,000 was paid and there was no longer any outstanding long-term debt.

Mr. Grau called attention to the “Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund” on Page 24, which reflected that the District was under budget by \$57,862. He indicated that the “Independent Auditor’s Report on Internal Control Over Financial Reporting and On Compliance”, on Pages 26 and 27, contained no findings.

Mr. Grau referred to the “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes”, on Page 28, which the Auditor General initiated to audit compliance with their investment policy; the District was compliant.

Mr. Grau pointed out the “Management Letter”, on Pages 29 and 30, which showed that there were no current or prior year findings.

Regarding a question about the source of the \$15,670 “Net change in fund balances – total governmental funds”, on Page 12, Mr. Grau explained that there was a profit of \$52,272 in the “General” fund and a loss of \$67,942 in the “Debt Service” fund, due to a transfer of funds, which was noted on Page 11.

Mr. Bergman questioned the current amount of the yearly CDD fee. Mr. Adams indicated a reduction but there is ongoing capital re-investment for the renovation work including the paving, re-vitalizing the dock, new street lights, signage, gate and the sea wall, which will be addressed in Fiscal Year 2016.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2015-5,
Accepting the Audited Financial Report for
the Fiscal Year Ended September 30, 2014**

Mr. Adams presented Resolution 2015-5, for the Board's consideration.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Bergman, with all in favor, Consideration of Resolution 2015-5, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2014, was adopted.

****Mr. Grau left the meeting.****

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2015-6,
Approving the District's Proposed Budget
for Fiscal Year 2015/2016 and Setting a
Public Hearing Thereon Pursuant to
Florida Law**

Mr. Adams presented Resolution 2015-6 for the Board's consideration. He pointed out that, according to the statutes, Staff is required to provide the proposed budget each year, prior to June 15.

Mr. Adams reviewed the proposed Fiscal Year 2016 budget. He noted that, in terms of appropriations, the budget was similar to prior year budgets. There were no significant changes in "Professional services", with the exception of "Tax bills", which was adjusted, based on actuals for Fiscal Year 2015. Mr. Adams noted a slight reduction of \$2,500 in "Boat lift repair and maintenance", under "Parks and recreation services". Mr. Croskey was working with Florida Handling Systems on significant repairs and anticipated spending less in Fiscal Year 2016.

Regarding "Access Control", Mr. Adams asked if the Board wanted to increase "Repair and maintenance – gate" due to significant anticipated repairs. Mr. Bergman replied affirmatively. Mr. Adams noted a separate capital item for this purpose. Mr. Adams reported a slight increase in "Landscape maintenance", of \$3,000, to address plant replacements.

Mr. Adams indicated that "Roadway/signage/streetlighting" remained the same as Fiscal Year 2015 and noted that the "Actual through 2/28/15", of \$86,207, was for resurfacing and

signage. He recalled that \$90,000 was budgeted in Fiscal Year 2014 for repaving but, since repaving was not completed, the unused portion was included in surplus funds. A budget amendment for Fiscal Year 2015 was necessary, due to exceeding appropriation levels.

Mr. Bergman recalled that the Board wanted to address the pavers. Mr. Adams indicated that \$60,000 in “Capital outlay” funds were available for this purpose. Mr. Aschenbrenner asked if the pavers were owned by the District. Mr. Adams replied affirmatively, noting that he anticipated leaving \$65,000 in “Capital outlay” for the next several years, building the fund balance and using the assigned portion of the fund balance for future reserve replacements of \$50,000 to \$75,000, along with three months of working capital.

Mr. Aschenbrenner was concerned about the ongoing cost of gate maintenance, as the District has a current maintenance contract with A-1 Security, which included replacements, which are charged on a time and materials basis. He suggested placing additional funds in Capital Outlay for the replacement of operators, as the cost for new operators range from \$4,000 to \$5,000. Mr. Bergman noted that a resident offered to maintain the gates “at cost”. Mr. Adams proposed placing \$10,000 into “Access control capital outlay”.

Mr. Aschenbrenner reported that an Electrician will be on-site to handle a minor electrical problem with the gate and install a UPS on the call box, which is not on a surge protector and typically “freezes up”. He suggested spending an additional \$1,000, without utilizing the “Access control capital outlay”. Mr. Jones pointed out that the “Access control capital outlay” will be used for major gate repairs. Mr. Turner asked if anyone was ever held accountable for gate damage. Mr. Aschenbrenner indicated that there are cameras and, in the past, garbage men were caught damaging the gates and one homeowner was caught ramming the gate open. Recently, the gate was damaged when residents pushed open the gate after the keypad malfunctioned.

Discussion ensued regarding the gate damage.

In response to a Board Member’s question, Mr. Adams indicated that footage of gate damage can be turned over to the Sheriff’s Department, if someone is ramming the gate. Mr. Turner asked if an emergency number was listed on the call box. Mr. Aschenbrenner indicated that the Police and Fire Departments have a key.

There was consensus from the Board to include \$10,000 into “Access control capital outlay”.

Mr. Adams referred to the “Enterprise” fund, on Page 5, and noted that the District purchases bulk water from Hillsborough County. Of \$130,860 in revenues, \$96,000 was from water and sewer bills. He pointed out the maintenance costs for the District to maintain the internal systems of water and sewer lines, manholes, lift stations and meter reading on a monthly basis. The Board agreed to increase “Roadway resurfacing” from \$150,000 to \$200,000.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Bergman, with all in favor, Resolution 2015-6, Approving the District’s Proposed Budget for Fiscal Year 2015/2016, as amended, and Setting a Public Hearing Thereon Pursuant to Florida Law on August 25, 2015 at 1:00 p.m., at this location, was adopted.

NINTH ORDER OF BUSINESS

**Consideration of Estimates/Bid Proposals
for Maintenance and Repairs of Trees,
Wall Repair and Paint, Shrubs**

Mr. Adams presented estimates and bid proposals for maintenance and repairs of trees, wall repair and paint and shrubs.

The Board reviewed Estimate 2015125, from Baycut, Inc., (Baycut), for landscape renovations at the Palm Bay exit. It was noted that the sod was to be removed from the estimate. Baycut Estimate 2015126 was for landscaping near the exterior wall. It was noted that some of the estimates were for aesthetic purposes. Estimate 2015169 was for root pruning the oak tree by the front wall to stop the roots from pushing the wall further. Estimate 2015149 was to remove one oak tree near the front wall, which cannot be root pruned, as it was too close to the wall. Discussion ensued regarding whether to remove the tree.

Discussion ensued regarding a bee issue. The Board reviewed estimates to clean, repair and paint the guardhouse. A Board Member pointed out the need to seal the structure well to keep the bees away. The Board discussed the gate and whether replacement was necessary.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Jones, with all in favor, Baycut, Inc., Estimate 2015125, for \$447.50, for landscaping near the exit gate, and Estimate 2015169, for \$250, to root prune an oak tree near the front wall, were approved.

Debate ensued regarding whether paint quality would make a significant difference in the overall guardhouse project.

On MOTION by Mr. Turner and seconded by Mr. Aschenbrenner, with Mr. Turner, Mr. Aschenbrenner and Mr. Bergman in favor and Mr. Jones dissenting, the Sourini Painting, Inc., Bid Proposal to clean, repair and paint the guardhouse, in a not-to-exceed amount of 8,630, was approved.

It was suggested that a few HOA members be involved in selecting the paint color.

TENTH ORDER OF BUSINESS

Discussion: Baycut, Inc., Agreement for Landscape Maintenance Services

Mr. Adams reviewed the Landscape Maintenance Agreement. He recalled a concern about maintenance of the volleyball court. The Board felt that the beach should be raked once, per week, at no additional cost. Discussion ensued regarding landscape maintenance areas and trimming certain trees outside of the District’s gate, despite them not being on District property.

Mr. Adams will update the agreement.

ELEVENTH ORDER OF BUSINESS

Approval of January 15, 2015 Regular Meeting Minutes

Mr. Adams presented the January 15, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Jones and seconded by Mr. Croskey, with all in favor, the January 15, 2015 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Other Business

In response to a question, Mr. Adams indicated that the pavers will be replaced. Discussion ensued regarding the road conditions, sealing the roads and road repairs.

Mr. Bergman asked about donating to the park. A Board Member indicated that the HOA paid the fee

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no report, the next item followed.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Approval of Unaudited Financial Statements as of April 30, 2015

Mr. Adams presented the Unaudited Financial Statements as of April 30, 2015.

ii. 186 Registered Voters in District as of April 15, 2015

Mr. Adams indicated that there were 186 registered voters residing within the boundaries of the District as of April 15, 2015.

iii. NEXT MEETING DATE: August 13, 2015 at 9:30 A.M.

Mr. Adams indicated that the next meeting was scheduled for August 27, 2015 at 9:30 a.m., at this location, and not on August 13, 2015.

FOURTEENTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' requests, the next item followed.

FIFTEENTH ORDER OF BUSINESS

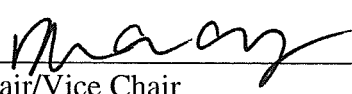
Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Jones, with all in favor, the meeting adjourned at 10:51 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair