

**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 **Thursday, April 13, 2017 at 9:00 a.m.**, at the **Courtyard by Marriott Tampa/Oldsmar, 4014 Tampa Road, Oldsmar, Florida 34677.**

Present and constituting a quorum were:

Rob Bergman	Chair
Joe Aschenbrenner	Vice Chair
Stacy Turner	Assistant Secretary
Gary Miller	Assistant Secretary
Win Williamson	Assistant Secretary

Also present:

Chuck Adams	District Manager
Tony Grau (<i>via telephone</i>)	Grau & Associates

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 9:06 a.m. Supervisors Bergman, Aschenbrenner, Turner and Miller were present, in person. Supervisor Williamson was not present at roll call.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

*****Mr. Williamson arrived at the meeting at 9:09 a.m.*****

THIRD ORDER OF BUSINESS

**Presentation of Audited Financial Report
for Fiscal Year Ended September 30,
2016, Prepared by Grau & Associates**

Mr. Grau stated that a condensed version of the Balance Sheet, on Page 5, reflected a "Change in net position" of \$59,607, in Fiscal Year 2016, compared to \$86,979, in Fiscal Year 2015. The "Balance Sheet," for the "Governmental Funds", on Page 9, reflected "Total Fund

balances” of \$99,763. The “Statement of Revenues, Expenditures, and Changes in Fund Balances” on Page 11, reflected an “Excess (deficiency) of revenues over (under) expenditures” of \$50,684. On Page 14, the “Statement of Revenues, Expenditures, and Changes in Fund Balances” for the “Propriety Fund” reflected a “Change in net position” of \$29,626. The “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters”, the “Independent Auditor’s Report on Compliance With the Requirements of Section 218.415”, the “Management Letter” and the “Report to Management”, on Pages 25 through 29, reflected no findings. Mr. Adams stated that the Audit was clean and unmodified. In response to a question regarding the “Proprietary Fund”, “Water and Sewer”, profit amount, Mr. Adams stated that the \$29,626 profit would be added to fund balance and used for unforeseen capital repairs and operating expenses or, it could also be shifted to the general fund.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2017-3,
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2016**

Mr. Adams presented Resolution 2017-3.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Bergman, with all in favor, Resolution 2017-3, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2016, was adopted.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2017-4,
Approving the District’s Proposed Budget
for Fiscal Year 2017/2018 and Setting a
Public Hearing Thereon Pursuant to
Florida Law; and Providing an Effective
Date**

Mr. Adams presented Resolution 2017-4. Mr. Adams reviewed the budget line items. “Total parks and recreation”, on Page 1, would increase from \$9,500 to \$69,500, due to increased boat dock activity, resulting in the addition of a “Capital outlay - dock” line item of \$60,000. “Total access control” would decrease from \$35,141 to \$31,700. In response to a question, Mr. Adams stated that there were two capital outlay items and the \$46,875 expense, in

the “Actual through 2/28/17” column, “Capital outlay” under “Access Control/Entry”, should be moved to the “Capital outlay” line item, under “Roadway/signage/street lighting.” “Total roadway/signage/street lighting” would decrease from \$63,000 to \$18,000. The Fiscal Year 2017 “Fund balance-ending (projected)” would be \$90,290, of which, 30% to 40% could be used to lower Fiscal Year 2018 assessments. The Enterprise fund would have a surplus fund balance of approximately \$140,000, which was reserved for unforeseen water and sewer needs. In response to a question, Mr. Adams stated that revenue for the Enterprise Fund was derived from user fees and an assessment on fixed costs, which was part of the property taxes. A Board Member asked if the Enterprise Fund was sufficient to cover a potential significant issue, given the age of the CDD. Mr. Adams stated the CDD’s system was relatively small and could last several years; if necessary, an emergency line of credit could be obtained and kept on reserve. Since the District was currently debt-free, it should continue to address its reinvestment needs and maintain reserves to address potential issues. Mr. Turner suggested using some of the fund balances to repair the retaining wall. Discussion ensued regarding contractors, dock construction costs, the kayak ramp, the retaining wall and permitting. The consensus was to proceed, gradually, while monitoring the project’s cost. In response to a question regarding the proposed Fiscal Year 2018 budget, Mr. Adams stated a 7.11% assessment increase was proposed, which could be lowered, using fund balance, which was quite substantial. A Board Member suggested utilizing \$13,000, from the General Fund, to keep assessments even. Mr. Adams would make the necessary adjustments to ensure that the year-over-year annual assessment did not change.

On MOTION by Mr. Miller and seconded by Mr. Turner, with all in favor, Resolution 2017-4, Approving the District’s Proposed Budget for Fiscal Year 2017/2018 and Setting a Public Hearing Thereon Pursuant to Florida Law for July 13, 2017 at 9:00 a.m., at this location; and Providing an Effective Date, and directing Management to keep annual assessments even, was adopted.

SIXTH ORDER OF BUSINESS

Update: Brick Paver Project

Mr. Bergman stated that cracks were found in the first round of pavers and were subsequently replaced. The second and third rounds were underway and a walkthrough would occur upon completion. The work included a one-year warranty. In response to a question

regarding whether the warranty covered cracks, Mr. Adams stated that it depended on whether the crack was cosmetic or structural; warranties usually covered structural cracks but he would check the warranty to confirm. A Board Member observed the contractors discarding perfect stacks of paver bricks and questioned if the District paid for overage. Mr. Bergman stated that the District paid for 12,500 square feet of paver bricks and the contractor provided the last two rounds of pavers. With regard to maintenance, Mr. Adams recommended pressure-washing, sealing and re-sanding the pavers, periodically. In response to a question regarding dock repair, Mr. Adams stated that a service provider should have a business license and certificate of insurance (COI) for general liability. Discussion ensued regarding contractors, quotes and bulkhead repairs.

SEVENTH ORDER OF BUSINESS

Consideration of Proposal from J Foster Consulting for Design of T – Dock and Retaining Wall at Park

Mr. Adams stated that, with regard to the previously discussed dock design, it was necessary to approve the \$2,850 proposal from J Foster Consulting. Mr. Turner stated that a \$500 deposit was requested. Mr. Adams would facilitate the request and stated that the contractor must provide a COI, naming the District as an additional insured, a W-9 and the \$500 invoice, billed to Palm Bay CDD. Mr. Adams would prepare a list of instructions, execute the proposal and forward all documents to Mr. Turner.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Turner, with all in favor, the Proposal from J Foster Consulting for Design of T– Dock and Retaining Wall at Park, in the amount of \$2,850, was approved.

EIGHTH ORDER OF BUSINESS

Acceptance of Bid from James Root to Purchase Boat Slip #1

Mr. Adams recalled previous discussions about a boat slip, leased to Mr. James Root, which expired. Mr. Adams informed Mr. Root that the CDD no longer leased boat slips but the boat slip could be purchased from the District. In response to a question, Mr. Adams confirmed that boat slip owners were billed an annual fee of \$250 for water and electricity.

On MOTION by Mr. Aschenbrenner and seconded by Mr. Bergman, with all in favor, the bid from Mr. James Root, to purchase Boat Slip #1, in the amount of \$20,009, and authorizing Management to finalize the sales transaction, were approved.

NINTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of February 28, 2017

Mr. Adams presented the Unaudited Financial Statements as of February 28, 2017. Assessment revenue collections were at 93% and expenditures were at 57%. The seasonal line items, which caused the increase in expenditures, were “Insurance”, at 99%, “Insurance – property & causality”, under “Access control”, at 96%, and “Tax collector” at 81%.

TENTH ORDER OF BUSINESS

Approval of January 12, 2017 Regular Meeting Minutes

Mr. Adams presented the January 12, 2017 Regular Meeting Minutes for the Board’s consideration.

On MOTION by Mr. Bergman and seconded by Mr. Turner, with all in favor, the January 12, 2017 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being no report, the next item followed.

B. District Engineer

There being no report, the next item followed.

C. District Manager

- **NEXT MEETING DATE: July 13, 2017 at 9:00 A.M.**

The next meeting will be held July 13, 2017 at 9:00 a.m., at this location. For quorum purposes, Mr. Adams asked to be informed of any conflicts, as soon as possible.

i. Fiscal Year 2018 Final Budget Adoption

ii. Public Hearing to Hear Public Comment and Objections on the Adoption of Amendment #4 to Chapter I of the Rules of Procedure Relating to the Rates, Fees and Charges for Utility Services Pursuant to Sections 120.54, 190.012 and 190.035, Florida Statutes

TWELFTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Aschenbrenner stated that the entrance gate was old, and the board and motor were recently replaced. Soon, the entire gate would require replacement, as two of the contact strips were no longer operational and were "jerry-rigged" on top of each other. Secondly, the District obtained Fiber Optic Internet (Fios) and there was an issue with installing high definition (HD) cameras. Mr. Aschenbrenner recommended that the District commence utilizing a Virtual Guard Service (VGS), instead of the current gate security system. Mr. Adams stated that a VGS was a kiosk that was remotely-operated by Envera Systems (Envera). Through a web-based system, the District would be issued an account where regular visitors and guests could be announced and contractors would trigger alerts. If there was interest, Management could request a presentation and proposal for installation of at least, one gate. Advanced technology contributed to the system's efficiency and access could be obtained through barcodes, key fobs and fingerprints. Mr. Aschenbrenner stated that, if the District signed a multi-year contract, the company would invest in its infrastructure. Mr. Adams stated that there would be an initial infrastructure investment and the District could either purchase or finance the system. There would be ongoing recurring costs, for 24-hour monitoring, and a service program for the life of the contract, to cover the costs of maintenance and repair. Mr. Aschenbrenner stated that, based on the potential investment in the VGS, it would not be prudent to replace or upgrade the gate and volunteered to provide a report, at the next meeting. In response to a question, Mr. Adams stated that the initial hardware and software would be supplied. Discussion ensued regarding the equipment, the HD cameras, the service contract and funding options. Mr. Aschenbrenner stated that the current unit malfunctioned often and the District recently spent approximately \$2,000 to repair the gate, which did not include the infrastructure. Further discussion ensued.

Mr. Miller stated that a broken water main, near the front gate, was repaired. He wanted to know where the water and sewer schematics were, in case a breach occurred on a weekend. Mr. Adams would obtain a copy.

Mr. Adams stated that the Paver Project contract contained a standard labor warranty against rutting, depression, cracking and to ensure proper drainage, for one year. The warranty would, most likely, not cover cosmetic hairline cracks.

Mr. Miller requested Management’s help with the water company, as homeowners were issued late fees because of the timing and grace period, causing several complaints. Mr. Adams was working with the billing company to resolve the issue and would provide an update at the next meeting.

THIRTEENTH ORDER OF BUSINESS Adjournment

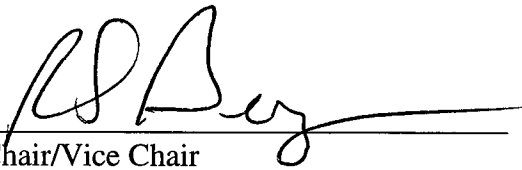
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Turner and seconded by Mr. Miller, with all in favor, the meeting adjourned at 10:43 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair