

**Coral Bay Community Development District
Regular Meeting of the Board of Supervisors
April 10, 2008**

The regular meeting of the Board of the Board of Supervisors (the "Board") of the Coral Bay Community Development District (the "District" or "CBCDD"), was held at the Coral Bay Recreational Facility, 3101 South Bay Drive, Margate, Florida on Thursday, April 10, 2008 as provided in the notice of the meeting (which is on file with the Records of Proceedings maintained by the District), the CBCDD schedule of meetings published in the "*Coral Bay Buzz*," and posted signs at the entrances of the CBCDD. Materials distributed to the members of the Board in advance of or at the meeting also are on file with the meeting records.

First Item of Business: Call to Order and Determination of Quorum

Tony Spavento (Chair) called the meeting to order at approximately 7:00 p.m.

The following Supervisors were in attendance at the meeting, constituting a quorum of the Board:

Daniel Dean	Sandra McCormick (Vice Chair)
Ronald Gallucci	Tony Spavento (Chair)
John Hall	

Also present were District Manager Leigh Hoffman, Assistant District Manager Millie Otero, District Engineer Robert D. Cole, District Attorney Michael Pawelczyk and District Treasurer Tina Hagen.

Nine residents and guests attended the meeting.

Second Item of Business: Pledge of Allegiance

The Chairman requested those in attendance to stand and recite the Pledge of Allegiance to the flag of the United States of America.

Third Item of Business: Approval of Minutes

Chairman Spavento moved to approve the minutes of the regular meeting held on March 13, 2008. After some discussion, Supervisor McCormick moved to defer the approval of the minutes of March 13 to the next meeting to allow for proper review. Supervisor Hall seconded the motion. In a voice vote, the motion was unanimously approved.

Next was the approval of the minutes of the Regular Board meeting held on April 3, 2008. Supervisor Dean noted that the item of pressure cleaning was addressed twice in the minutes. Supervisor Dean recommended leaving this item in the section of obtain bids for.

Supervisor Dean moved to approve as amended the minutes of the Workshop meeting held on April 3, 2008. Supervisor Hall seconded the motion. In a voice vote, the motion was unanimously approved.

Chairman Spavento requested for all motions to state; who made the them, who seconded them as well as the roll call when not unanimous.

Four Item of Business: Approval of Payment of Invoices

Tina Hagen announced that the Public Assistance Coordinator Kenneth Weiser presented her with the Final Inspection Sign-off Report for the Debris Project. District Manager Leigh Hoffman signed the document. Ms Hagen reported the District received 110,750 dollars for this project and will collect an additional 4,500 dollars for this project. Ms. Hagen would return the signed document to Mr. Weiser for submission to FEMA.

Ms. Hagen provided to all Supervisors a copy of the additional invoices presented for payment after the closing date.

After discussion, Supervisor Hall moved to approve the items listed in the Checking Account Transaction Register. Supervisor Hall seconded the motion. In a voice vote, the motion was unanimously approved.

Fifth Item of Business: Presentations

Mr. Lawrence Kastner representing Bromley . Cook Engineering offering engineering services for the replacement of the deck at the Club House and the gazebo at Peninsula Park. Their company specializes in preparing drawings, design concepts, and renderings for the project. They would acquire the services of a third party to conduct the testing of the pylons and report on the condition.

Supervisor Dean asked Mr. Kastner what would be the approximate cost for these services. Mr. Kastner requested clarification from the Board on the direction for the gazebo at Peninsula Park. He inquired if the design remains the same, will the footprint change or an exact replacement. He was directed to quote on equal replacement with one option for the roof for the gazebo at Peninsula Park.

Michael Pawelczyk advised that this type of work falls under the Consultants Competitive Negotiation Act could reach or exceed the competitive bid requirements. Mr. Kastner stated that the proposal would be 18,000 to 20,000 dollars. Chair Spavento asked Mr. Kastner if his proposal would include all the elements for the bidding process. The Board requested for Mr. Kastner to present a proposal for services.

Shawn Davis & Associates to present final draft of the 2005-06 Financial Report for Board approval. Mr. Davis introduced Mrs. Tanya Davis who would conduct the review of the Financial Report.

Ms. Davis explained that there were some revisions done to the previous draft presented at the March 13th meeting. She reported the following on the Independent Auditor's Report:

1. None of the figures changed in the draft;
2. The first paragraph outlines the purpose of the Management's Discussion and Analysis;
3. Adjustment requested by Tina Hagen. Page 5 states that docks were uplifted and destroyed. This was not caused by hurricane Wilma;
4. Page 11 Statement of Net Assets highlights 19 million dollars in assets up approximately one million dollars from last year. The cash is down due to funds used for Capital expenditures. Liabilities are approximately 2.1 million dollars. Advances from FEMA were 136,000 dollars. The total net assets for 2006 were 17million dollars;
5. Page 12 Statement of Activities changed due to increase expenditures in the Physical Environment of the Program Activities making it a 267,000 dollars being difference between the revenues and the expenses;
6. Pages 14-17 are funds financial statements required in governmental reporting standards under GASB;

Tina Hagen stated that since the governmental reporting standards presents columns for general funds and capital funds, going forward should there be capital projects under the general fund or should a separate capital projects fund category created. In response Tanya explained that it is done both ways, this is primarily seen in large projects.

Dana Moss reported that the district does a good job in identifying project expenditures and sees no need at this time for more to be done.

Supervisor McCormick noted that on page 19 the report states that there was no inter-fund activity, when does that come into place. Tanya responded that the determining factor is how the accounts are set-up. Tina Hagen explained that there has been activity between the classes but no physical movement of funds to the bank accounts. Ms. Hagen stated that activity between accounts will be seen this year when the bond account is closed. This account currently has approximately 227,000 dollars. Shawn Davis noted the report states there were no inter-fund accounts that needed to be eliminated from the statement.

7. Tanya Davis directs the Boards attention to page 23 that addressed the composition of investments, this statement remains the same as the previous year;
8. On page 25 the statement of subsequent events indicate something different in the financial statement, Tanya noted that everyone is aware of these events;

Supervisor McCormick questioned on page 29 the report states the District increased its holdings with the State of Florida Board of Administration during fiscal year 2006 and continues in 2007 and 2008. She believes this practice changed prior to 2008. Dana Moss responded the change occurred in November 2007 and the fiscal year started in October of 2007.

9. Page 27 is a continuation and it reflects the greater increases with 1.4 million dollars for work in progress due to adjustments from the prior period, 1.5 million dollars in building and improvements and the depreciation was affected by the investments of the prior period;
10. Page 28 Long term debt there were no major changes, a footnote indicates the principal and interest payments for this period;
11. Page 29 Prior period adjustments indicate solely adjustments to the capital assets reported, these adjustments increased the districts capital assets by 500,000 dollars;
12. Page 30 how well did the District managed the budget to actual. The findings reported state that the expenses were handled properly;
13. Tanya explained that from page 31 forward is where the major changes are found. This page defines the controlled deficiencies and the significant deficiencies. The significant deficiencies are found in the internal control process based on the fact that there were prior period adjustments. The prior period adjustments and the timing in the completion of the Audited Financial Statements are categorized as significant deficiencies. These comments were first present in the 2004 report and were carried over to the subsequent years as they still applied. Recommendations that were given in 2004 were still not corrected;
14. Tanya explained that the following page is of no consequence the changes are only of the wording due to the new pronouncements;

Supervisor Spavento questioned if a statement could be included as a corrective action to indicate that the District has new Management team. Supervisor Dean wrote the statement to reflect the selection of new management and the commitment to adhere to the recommendations. This statement will be forwarded to Tanya Davis to include in the report.

Supervisor McCormick directed to page 6 of the Management Discussion and Analysis (MD&A) where it states the District had diverted its maintenance funds to additional administrative expenses and funding gating projects while depleting the District's reserves. This statement has been carried over for several years. Tina Hagen stated that this comment could be removed if so instructed. The Board directed to remove the statement from the report. On the same page Supervisor McCormick noted it states the district also continued to charge user fees. Tina Hagen had previously noticed this statement and had asked Chris Wallace what it addressed. He responded that during the first term of Alliance Property Systems estoppels were issued to owners and the funds collected were posted. Leigh Hoffman stated that never in the past were estoppels issued for the District. Ms. Hagen suggested to have the statement removed

Supervisor Dean for clarification asked who was tracking all the changes and Tanya Davis responded that she was. Supervisor McCormick also pointed at page 10 where again it refers to user fees. Leigh Hoffman mentioned that it could refer to the transponders and pool keys. Michael Pawelczyk stated that these are fees and not user fees, user fee by law is defined as a charge to cover your cost. The Supervisors were in agreement to remove the word user.

Supervisor McCormick noticed that page 11 refers to debt being decreased by 99 dollars and 72 cents per lot. Supervisor Hall in response said that the statement relates to the bond and the debt reduction is illustrated by lot on that debt.

Supervisor McCormick questioned District counsel the Management letter final paragraph states that this letter is intended solely for the information of Management, the District Board of Supervisors and the Auditor General of the State of Florida and is not to be used by any other parties; once approved does it become a public document. Michael Pawelczyk responded that it does become a public document intended for the use of these parties and does not benefit anyone else.

Supervisor Hall moved to accept the Audit report for 2006 as amended at this meeting. This motion was seconded by Supervisor Dean. In a voice vote, the motion was unanimously approved.

Shawn Davis asked what are there marching orders going forward. Supervisor Dean inquired as to who is authorized to give final approval. Final approval to be given by Dana Moss, Leigh Hoffman and Tina Hagen.

Shawn Davis expressed that they are prepared to work on the 2006 – 2007 audit. There is a matter that he wanted to discuss and that was the fee. Mr. Davis asked it was a matter that the Board wanted to discuss at the meeting or designate someone for discussion. Mr. Davis stated that in reviewing the staff hours he encountered significant overages of in the concluded audit. Shawn Davis was requesting an adjustment on the fees for the just completed audit and to hold the line going forward. Mr. Davis reviewed the billed hours and they totaled 44,500 dollars. He stated he was not looking for an adjustment anywhere near the quoted amount. Supervisor Dean asked Mr. Davis if he had a proposal. Mr. Davis responded that he did not have one at that time but that he was willing to meet with any designated party to discuss an agreement. Supervisor Dean asked Mr. Davis if he knows why they incurred so many hours. Tanya Davis responded that much time was spent prior to Dana Moss coming on board. She added that once Mr. Moss stated working with Tina Hagen they spent time going back to ensure that everything was correct. Dana Moss added that the prior year adjustments were significant and much time was spent to ensure that the figures were accurate. Supervisor expressed that he was still shell shocked by the presented number. He asked Mr. Davis that although he understands that it was a significant, was this action necessary. In response Mr. Davis stated that it was the only way it could be done. Michael Pawelczyk addressed the Chairman stating that he prefers not conducting negotiations at a public meeting. Mr. Pawelczyk recommended to have management meet with Shawn Davis and appoint a Board member to also review. Supervisor Dean asked as a point of reference for this process, how long before the next audit needs to be completed. Tanya Davis responded that the audit needs to be completed twelve months from the end of the fiscal year.

She added that once they are told to start it will take them five to six weeks to complete the work. In terms of when they can start the next audit Ms. Davis said that it depends on Dana Moss, Tina Hagen and Leigh Hoffman. She would like to see that once the trial balance is ran it is reviewed by Mr. Moss before they get it to avoid going back to make revisions.

Supervisor McCormick moved to designate Supervisor Dean and District Management to work with S. Davis and Associates in connection with a change order. The motion was seconded by Supervisor Hall. In a voice vote, the motion was unanimously approved.

Sixth Item of Business: District Engineer's

Mr. Cole requested information on the status of the change order for materials to the PVC. Supervisor Dean states that his understanding was that the contract signed was for PVC fencing and the only matter to resolve was to bring South Bay Drive back into the contract. Michael Pawelczyk reported that at the last meeting direction was given to include South Bay Drive to the contract. Mr. Pawelczyk prepared the amendment and forwarded to management. He received a request stating that all the figures had to be included, he prepared a amendment and forwarded to the Board and management that seemed to cause confusion. Supervisor Dean asked Millie Otero to explain what is the situation with the contract. Ms. Otero explained that after reviewing the original contract with Vic's General Services with Tina Hagen there were duplicates of pages 57 through 60 because the cost per area of fencing had been split and the allowance for landscaping was present but not part of the total. Millie Otero then proceeded to request from District counsel an amendment to include all four areas with the cost stated to include the allowance for the landscaping.

Supervisor Dean moved to have the Chairman execute the first addendum to Vic's General Services as amended. The motion was seconded by Supervisor Hall. In a voice vote, the motion was unanimously approved.

Mr. Cole stated that the boat ramp is near completion. The railing should be in place in about two weeks.

Robert Cole reported the lighthouse project is awaiting roof permit. He asked Richard Noon for an update. Mr. Noon informed the Board he had received information from the City of Margate that the permit was about to be issued. He will check online tomorrow for the status on the permit.

Mr. Cole informed the shoreline erosion design process should be completed by the end of April or beginning of May.

Supervisor Dean asked Mr. Cole if the small gazebos at Peninsula Park were to be removed would a permit be required. Mr. Cole responded that any repair work with accost greater than 1,500 dollars would require a permit. Supervisor Dean referred to the small gazebos as serving no function other than esthetics since they do not keep off the weather. Supervisor Dean stated the Board should consider the removal of the small gazebos and replace with the concrete furniture. Mr. Cole reported the gazebos represent a hazard due to their condition.

Management was directed to have the small gazebos removed and have the electrical company cap the electric connection on each gazebo. Richard Noon was asked to provide an approximate cost for this work. Mr. Noon reported the cost for repairing the gazebos would be approximately 7,500 dollars while to remove would be about 3,000 dollars.

On the Peninsula Park pool Millie Otero reported on the cost presented by A Plus Pools for the leak repairs. Supervisor Dean inquired on what happened to opening three feet around the pool and replacing the entire plumbing. Millie Otero reported that she met with Alan Pearl from A Plus Pools and he presented excuses not to do the work he presented at the meeting. Supervisor Hall asked District counsel if there is a legal course of action. Mr. Pawelczyk stated not recommending to sue at this time but to discuss it with the vendor and try to enter into an agreement. Supervisor Hall stated that A Plus Pools should be asked to replace the plumbing around the pool for the verbal quote of 8,700 dollars or find another vendor that will do the work. Supervisor Dean stated the Board needs to provide management with direction on this matter. Supervisor McCormick inquired if Richard Noon has the available crew to remove all the concrete. Mr. Noon reported having the crew to the work and he would investigate on the plumbing replacement.

Supervisor Dean moved to direct management to spend up to 25,000 dollars to open three feet of the concrete around the perimeter of the pool, where applicable dig a trench, replace all the pipes, inspect, pressure test the line and back fill the opening. The motion was seconded by Supervisor McCormick. In a voice vote, the motion was unanimously approved.

Millie Otero reported on the lighting options presented by American Lighting for the walkway at Peninsula Park. Discussion took place on the coverage of the bollard lighting and the use of pole lights. Mr. Cole was directed to research on lighting alternatives for the walkway.

Supervisor Dean expressed that the Board needs to set parameters, expectations and deadlines for the work at Peninsula Park. The following items are to be addressed:

1. Dead tree removal
2. Completed pool and deck
3. Remove small gazebos
4. The lighthouse by the next meeting
5. Secure the large gazebo
6. Shoreline restoration

After discussion June 14th was determined as the deadline to complete the above projects. Supervisor Dean stated June 14th might be a realistic deadline the major concern is the pool.

The next topic for discussion was the community entry gates. Chairman Spavento stated preference for a workshop session to address the gates. Supervisor Dean expressed that the Board needs to determine the expectations on the gates. After discussion Supervisor Dean directed management to advertise a Special Workshop meeting to be held on Wednesday April 23 at 7:30 p.m.

District Engineer was excused at 10:31 p.m.

Seventh Item of Business: District Attorney's Report

Michael Pawelczyk inquired on the status of the signed release for Mr. Burke on the towing of his vehicle in Mallory Harbor. Leigh Hoffman responded the agreement was fully executed and the check was released.

Supervisor Dean asked Mr. Pawelczyk if he could review his files for an Request for Proposal previously used for the pressure-cleaning contract. Michael Pawelczyk responded that he has been working on scanning all the files that pertain to Coral Bay and will provide an electronic copy to the Board and to management.

Chairman Spavento recessed the meeting at approximately 10:40 and reconvened the meeting at approximately 10:46.

Supervisor McCormick asked Richard Noon on the status of the missing lamp on one of the poles on South Bay Drive. Richard Noon deferred to Millie Otero for the response. Ms. Otero reported that she contacted RLS Lighting they had agreed to send the lamp but had not yet been received. She will follow up with the vendor to resolve the issue.

Eighth Item of Business: Audience Comments

Chairman Spavento stated there were no audience members present at the time.

Ninth Item of Business: Supervisor's Comments

No Supervisor's comments at that time

Tenth Item of Business: District Treasurer's Report

Tina Hagen provided a worksheet to the Board with the cost for the fence project as well as how she projected the District's outlay of 63,946 dollars. Ms. Hagen explained that in the process of projecting the cost going forward. In the forecasting Ms. Hagen stated she took the lines forward into a reasonable projection.

Tina Hagen requested from Leigh Hoffman not to issue for her for the May meeting. Ms Hagen reported she will not available for that meeting nor will she prepare reports for the meeting. Tina Hagen advised for Martha Palmer to issue reports directly from Quick books and forward them to the Board.

Eleventh Item of Business: District Manager's Report

Leigh Hoffman reported to have a letter sent by the Florida League of Cities declining the supplemental claim for the hurricane Wilma damages. Supervisor Dean stated that what the district need is a breakdown on what damages the League of Cities covered. Tina Hagen added

that we need a list of the miscellaneous items repairs done by the insurance contractor since they are also part of the FEMA Lighting, Roofing, and Miscellaneous project. Ms. Hagen reported that Millie Otero and her had met with the Public Assistance Coordinator and a FEMA Claims Adjuster. The Claim Adjuster stated during the meeting that he has worked with the Florida League of Cities and would contact them to request the breakdown on the claim.

Mr. Hoffman reported that the District continues to use the services of All County Towing. He has located another company and was seeking the Boards approval to have the District Attorney work with District Management create a proposed contract. The Board directed Mr. Pawelczyk to create the contract for this purpose. Supervisor Dean asked Mr. Hoffman where does the District stand on the claim with All County Towing for the damages to Mr. Burke's vehicle. Leigh Hoffman responded that they continue to hold the same position of their letter that is, they are not responsible for the damages. Supervisor Gallucci asked if the tagging company could be responsible for the damages. Leigh Hoffman deferred to Michael Pawelczyk's to respond. Mr. Pawelczyk stated that they could be responsible since it was an illegal tow.

Leigh Hoffman reported on a letter received from the office of the Supervisor of election to inquire on what seats on the Board are up and when. Supervisor McCormick stated that Chairman Spavento her seat and were up for election in November 2008. Mr. Hoffman stated he would handle the statutory advertisement requirements.

Leigh Hoffman requested direction from the Board on the day-to-day maintenance operation. Supervisor Dean responded it is management's discretion to get the work done while keeping the cost in line with the budget. Mr. Hoffman explained that with some projects going out to bid, the staff would be reduced to one man. Chairman Spavento advised that his concern is on what should not be done by the maintenance staff such as electrical and structural work, these items must be handled by licensed individuals. Supervisor Dean informed Mr. Hoffman that the Board looks at the jobs to be done and not on the man-hours. Supervisor McCormick stated that CHI must bill on the calendar month and not mid-month to mid-month. Supervisor Hall added that the Board could loose sight that the District enjoys having people on-site to call and have them address matters immediately. Supervisor Dean questioned Leigh Hoffman and Millie Otero on if it is effective to have a person available on-site. They both responded positive to the question.

Chairman Spavento Asked Mr. Hoffman on the status of the tour around the property. Leigh Hoffman responded it is not easy to do due to the Sunshine Law. Michael Pawelczyk that for the tour the District needs to provide transportation and the audience would be included. He stated it would be a legal requirement to take minutes. Supervisor Dean noted the money was already spent and that condition will not change with the tour. Leigh Hoffman asked for 2 hours of a Supervisors time to tour the property. Chairman Spavento directed Mr. Hoffman to schedule the tour for his attendance.

Twelfth Item of Business: Old Business

Chairman Spavento asked the District Attorney on the matter of the owner in Islamorada that has a fence on the District's easement, can the fence be removed.

Thirteenth Item of Business: New Business

No new business was discussed at this meeting.

Fourteenth Item of Business: Adjournment

Supervisor Hall moved to adjourn the meeting. The motion was seconded by Supervisor Dean. In a voice vote, the motion was unanimously approved. The meeting was adjourned at 12:13 a.m.

Leigh Hoffman, Secretary