

**Coral Bay Community Development District
Regular Meeting of the Board of Supervisors**

July 10, 2008

The regular meeting 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, July 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 7:01 p.m.

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

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|-----------------|-------------------------------|
| 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 and District Attorney Michael Pawelczyk. Treasurer Tina Hagen was not present at the meeting, but the monthly financial reports were provided to all via email prior to the meeting.

Ten 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.

Item five, Presentations, was moved forward on the agenda.

Third Item of Business: Presentations

Mr. Dana Moss distributed to the Board a draft of the 2007 Audit Ready Financial Statements. He noted that the document was prepared in the government wide financial statements format required for the completion of the audit. Mr. Moss then reported that the audit for 2007 had started and would be completed on a timely manner. Mr. Moss brought to the Board's attention the following sections of the Financial Statements:

Page 3 – Management’s Discussion and Analysis
Page 5 – District Achievements - Depicts how well the District performed in securing the assessment funds and the increased funding for the FEMA projects.
Page 7 – Governmental-Wide Financial Analysis – Presents the Statement of Net Assets
Page 9 – Governmental Funds Financial Analysis – As it relates to the General Fund only
Page 12- Statement of Net Assets
Page 14 – Contains the Balance Sheet
Page 18 – Notes to Basic Financial Statements

Mr. Moss added that pages 1 and 2 as well as pages 31 through 37 were reserved for the Independent Auditor’s Report to be provided by S. Davis & Associates. After his overview, Mr. Moss asked the Board if there were any questions. Supervisor McCormick inquired if the Board can anticipate having the 2007 Audit submitted by September 30th. Mr Moss responded that all parties involved in the audit are working together and it will be completed on time.

The second presentation was to inform the Board of the development of a 124-room hotel on the southeast corner of State Rd. 7 and NW 31 Avenue. Representatives from Lochrie & Chakas, PA explained that the 124 suites four-story hotel would be located behind a new Walgreen’s to be developed at the corner of State Rd 7. Supervisor McCormick asked if the term “suites” meant that the units would be equipped with kitchens, and if so, would it be a hotel or an extended stay facility. A representative explained that the units would have a refrigerator and a microwave but the hotel would not be an extended stay facility. They added that the Department of Transportation would be expanding State Rd 7 to accommodate the flow of traffic in the area. Michael Pawelczyk requested that the representatives send him an e-mail communication when they are scheduled to go in front of the DRC in order for him to advise the Board.

Fourth Item of Business: Approval of Minutes

Supervisor Hall moved to approve the minutes of the regular meeting held on June 12, 2008 with the following amendment:

*Page 6 change to in general discussion
Page 8 Item 14 form name is Personal Financial Interest
Page 2 the word report missing from header*

Supervisor Dean seconded the motion. In a voice vote, the motion was unanimously approved

Fifth Item of Business: Approval of Invoices

Supervisor Dean requested clarification on the CHI invoice that referenced purchase of lenses for the fire extinguishers. Millie Otero responded that it referred to the plexi-glass cover to the fire extinguishers case. Supervisor Dean asked if they were vandalized and if it was reported to the Police Department. Ms. Otero responded that the CHI staff had made the report to the Police Department.

Supervisor Hall asked if check number 10605 represented the purchase of additional rope for the nautical posts. Leigh Hoffman responded that it was additional rope needed to complete the project. Supervisor Hall asked if the cost per post was being tracked to ensure that it remains

in line with the proposed cost of \$20.00 per post. Supervisor Hall requested a report of the nautical posts project once the work is completed to analyze the cost and determined if it remained in line with the estimate given by CHI. Supervisor McCormick explained that she had met with David Ball to categorize CHI's charges. Supervisor Dean expressed that he hoped that David Ball was learning to do the process on his own. Supervisor McCormick recommended that during the budget workshop budget categories to be defined. Supervisor Dean stated that the categories were defined last year but the other maintenance category ended with many charges. Supervisor McCormick recommended re-adjusting the items posted to other maintenance to reduce the charges in that category. Supervisor Dean stated that Tina Hagen should be included in the process in her capacity as District Treasurer and because she has involvement on what is posted to Quick Books.

Chairman Spavento asked if check number 10641 was only for the cost of labor. Supervisor McCormick responded that it included payment for labor and materials.

Millie Otero requested voiding check number 10625 for \$71,717.40 issued to Vic's General Services as an installment payment for the PVC fence project. Robert Cole explained that the Application for Payment submitted by Vic's General Services had an error and the payment due should not exceed \$45,000.

After discussion, Supervisor Dean moved to void check number 10625 as per District Management's request and to approve all the other items listed in the Checking Account Transaction Register. Supervisor Hall seconded the motion. In a voice vote, the motion was unanimously approved

Leigh Hoffman asked what action the Board wanted to take regarding payment for the CHI invoice for June. After discussion, that invoice was cleared for payment.

Supervisor Dean moved to void checks number 10600 and 10601 and re-issue a check for CHI in the amount of \$6,703.54, if the original checks had not already been voided. Supervisor Hall seconded the motion. In a voice vote, the motion was unanimously approved.

Supervisor McCormick moved to stop the practice of holding vendor's checks and to direct all inquiries to District Management. Supervisor Gallucci seconded the motion.

Supervisor Hall stated that the entire amount of a vendor's check should not be held, and the funds for work not in dispute should be released. Supervisor Dean added that there are times in which the entire check needs to be held. He explained that what happened in the past with vendors was the failure to produce supporting documentation. Michael Pawelczyk concurred with Supervisor McCormick's recommendation to not to hold a vendor's check and to ensure that all inquiries are directed to District Management. He recommended the preparation of a task order agreement, which is essentially a proposal with "not-to-exceed-amounts" that are paid in accordance to the task order. Chairman Spavento stated that the Board always has the power to hold any questioned amount from a vendor until all issues are clarified.

Supervisor McCormick withdrew the motion. Supervisor Gallucci withdrew the second.

Supervisor McCormick moved to approve Michael Pawelczyk to draw up a simple form of agreement starting with CHI to submit invoices twice a month, i.e., on the 15th and at the end of the month. Supervisor Dean seconded the motion.

Supervisor Hall stated that every month the Board receives a supplemental check register for invoices submitted after the closing of the period. He suggested having a deadline for the vendors under contract, and that any invoices submitted after the cutoff would be paid the following month. Michael Pawelczyk stated that he would take that provision and prepare an addendum going forward to include in the vendors agreement.

Supervisor McCormick withdrew the motion. Supervisor Dean withdrew the second.

Supervisor McCormick requested that all Supervisors refrain from the practice of approaching vendors for opinion on work awarded to other vendors. Supervisor Dean stated that there are some instances in which it is necessary to seek an outside opinion. Supervisor McCormick replied that she did not have a problem with outside opinion. Supervisor Dean stated that he had not seen it take place other than as an outside opinion.

Sixth Item of Business: District Engineer's Report

Mr. Cole reviewed his report dated July 8, 2008 sent to the Board in advance of the meeting, and commented on, among other items, the following matters:

- a. *PVC Fence* - Robert Cole reported that the PVC fence should be completed in the upcoming weeks. He added that Vic's General Services had completed most of the installation of the fence posts on South Bay Drive.
- b. *Boat Ramp* – Robert Cole noted that the gate for the boat ramp was not created to have a regular lock, but to have a pad lock. Supervisor Dean stated that due to FEMA funding, the boat ramp is open to the public. He added that in order to allow easy access, the locking mechanism must be keyed to the existing Medco pool key. Michael Pawelczyk recommended the placement of a warning sign and the installation of a self-closing latch for the gate.
- c. *Peninsula Park* – Robert Cole reported that the Peninsula Park building would be completed in thirty days. He informed the Board that the pool restoration RFP was advertised, vendors picked up bid packages, the pre-bid conference would be held on July 16th and the bids are due by 3:00 p.m. on July 22, 2008.
- d. *Peninsula Park erosion* – Robert Cole explained that the erosion control plans were on hold pending approval from FEMA to proceed. Millie Otero added that Solid Resources was no longer under contract with FEMA and explained that Edmund Saldana, as a Solid Resources agent, was no longer working with the District. Ms. Otero added that Tina Hagen requested a proposal from Edmund Saldana to assist on the headwalls, erosion and possible dock's projects. Millie Otero explained that the proposal submitted by Mr. Saldana earlier that day was beyond the scope of work. Therefore, Ms. Otero requested from Mr. Saldana a modified proposal to address the specified projects. Supervisor Dean

added that if the District engaged the services of Solid Resources for these projects, FEMA would pay their fees. Supervisor Dean stated that while the District coordinates to have David Davich from FEMA evaluate the areas of erosion that were overlooked, the plans for the headwall and erosion projects should be drawn. He added that any changes approved by FEMA would then be written into the Project Worksheet. Richard Noon reported that the Architect drawing the plans for the docks expressed a concern with the condition of the shoreline by the clubhouse. Mr. Noon added that the Architect had asked if the wall by the boat ramp would be extended to serve as a support to the docks. Supervisor Dean recommended waiting for FEMA and the possibility of them covering those projects.

Seventh Item of Business: District Attorney's Report

Michael Pawelczyk informed the Board that he did not have anything to report.

Eighth Item of Business: Audience Comments

At this point in the meeting, the Chairman indicated the Board would open the floor to comments and questions from the audience. Those comments and questions included:

1. Work completed by New Community Strategies
2. Communication with the District Manager

Ninth Item of Business: Supervisor's Comments

Supervisors commented on, among other items,

1. Request from District Treasurer regarding her recommendation on how the Budget workshop would be handled (i.e., Supervisor comments to her and distribution of the new version with consolidated comments prior to the meeting);
2. status on the plans from the Architect for the docks;
3. to contact Port Everglades or the Miami Port Authority regarding the acquisition of any nautical rope they might be discarding;
4. report submitted by Barry Shapiro from TEM on the gates;
5. instructing IGM to trim low branches over the wall;
6. request for Vic's General Services to fill the gap by the columns on the Indian Key entrance;
7. the need to act on the gates;
8. the planting of replacement palms on South Bay Drive; and
9. Broward Beautiful grants awarded by September.

Tenth Item of Business: District Treasurer's Report

Supervisor Dean presented Tina Hagen's inquiry as to the Board's submission of their individual input on the budget to her prior to the budget workshop. The Board determined they would send their input to Ms. Hagen for the budget. Supervisor Dean added that if Ms. Hagen did not receive any changes, the proposed budget would remain as presented.

Chairman Spavento recessed the meeting at approximately 10:09 p.m. and reconvened the meeting at approximately 10:15 p.m.

Eleventh Item of Business: District Manager's Report

Millie Otero reported that new metal meeting signs would cost \$57 per sign with the metal frame. Supervisor Dean asked if the signs had an insert for the date to be changed as needed. Ms. Otero responded that the quoted sign did not have it, but it could be requested. District Management was directed to purchase the signs.

Ms. Otero informed the Board that the next section of PVC fence to be installed would be the Littoral Preserve followed by South Bay Drive. Supervisor Dean requested Ms. Otero to inform Vic's General Services to start the installation on South Bay Drive closer to the entrance to Las Brisas.

Millie Otero reported that the Broward County Health Department inspector noted in her report that the pool at the Recreational Center has a depression, approximately 2" round, at the bottom of the pool that must be repaired. Ms. Otero asked the inspector if this repair needed to be addressed immediately. The inspector informed Ms. Otero that the repair had to be completed by October. Supervisor McCormick asked if the pool needed to be drained to conduct the repair. Ms. Otero responded that it would be necessary to drain the pool. Supervisor McCormick proposed having the vendor provide a quote for the resurfacing of the pool to be done at the same time as the repair. Management was directed to solicit quotes for the repair and the resurfacing of the Recreational Center pool.

Chairman Spavento asked Leigh Hoffman to explain the reason for the e-mail sent to the Board seeking approval for the change order on the leak repair at the Peninsula Park pool. Mr. Hoffman responded that he did not have the authority to approve such level of expenditure. Supervisor Dean stated that when Alliance Property Systems was hired as District Management in August of 2007, a \$20,000 discretionary monthly allowance was approved. Leigh Hoffman noted that a \$20,000 monthly allowance was given to engage the services of CHI to conduct maintenance on the property. After discussion the District Attorney was directed to prepare a resolution granting the District Manager discretionary spending of \$25,000 per month.

Twelfth Item of Business: Old Business

Supervisor Gallucci moved to remove the landscape fixtures under the palms at the North Bay Drive entrance, with the wires to remain and be capped. Supervisor Hall seconded the motion.

Supervisor Hall stated that the fixtures should be saved to use as replacement in other areas. Supervisor Dean recommended de-energizing at the circuits at the breaker panel, for safety purposes.

In a voice vote, the motion was unanimously approved.

District Management was directed to have the electrician remove the fixtures, retain the fixtures for replacement use, leave the existing wires, have the wires capped and de-energize the circuit at the breaker panel.

The Board then discussed the North Bay Drive gates. Supervisor Dean stated that installing gates and arms on the inbound lanes would divert traffic from the inbound lanes to the outbound lanes. He added that functionality should not be sacrificed by proceeding to quickly on the installation process. The following alternatives were discussed for the North Bay Drive entrance gates:

- a. Gates on the inbound and the outbound lanes
- b. Tire shredders
- c. Narrowing the road
- d. Moving the road
- e. Extending the median

Supervisor Dean stated that the District needed to discuss the options with the City of Margate to determine what alternatives the City would approve. District Management was directed to schedule a meeting for Supervisor Hall and Supervisor Dean to meet with Emil Estevan the City Engineer for Margate, to take place on a Friday and to advertise the meeting.

Thirteenth Item of Business: New Business

No new business was discussed at the meeting.

Fourteenth Item of Business: Adjournment

Supervisor Hall moved to adjourn the meeting. Supervisor McCormick seconded the motion. In a voice vote, the motion was unanimously approved. The meeting was adjourned at 10:40 p.m.

Leigh Hoffman, Secretary