

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

AUGUST 30, 2012

AGENDA PACKAGE

Harmony Community Development District

Robert D. Evans, Chairman
Mark LeMenager, Vice Chairman
Ray Walls, Assistant Secretary
Kerul Kassel, Assistant Secretary
Steve Berube, Assistant Secretary

Gary L. Moyer, District Manager
Tim Qualls, District Counsel
Steve Boyd, District Engineer
Todd Haskett, Project Coordinator

August 23, 2012

Board of Supervisors
Harmony Community Development District


Dear Board Members:

The regular meeting of the Board of Supervisors of the Harmony Community Development District will be held on **Thursday, August 30, 2012 at 6:00 P.M.** at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for the meeting:

1. **Roll Call**
2. **Approval of the Minutes of the July 26, 2012 Regular and Workshop Meetings**
3. **Audience Comments**
4. **Subcontractor Reports**
 - A. Aquatic Plant Maintenance – Bio Tech
 - B. Landscaping – Luke Brothers
 - C. Dockmaster/Field Manager
 - i. Dock and Maintenance Activities Report
 - ii. Buck Lake Boat Use Report
5. **Developer's Report – Park Square Foliage**
6. **Public Hearing to Adopt Fiscal Year 2013 Budget**
 - A. Fiscal Year 2013 Budget
 - B. Consideration of Resolution 2012-03 Adopting the Budget
 - C. Consideration of Resolution 2012-04 Levying the Assessments
7. **District Manager's Report**
 - A. July 2012 Financial Statements
 - B. Invoice Approval #148 and Check Run Summary
 - C. Public Comments/Communication Log
 - D. Website Statistics
 - E. Meeting Schedule for Fiscal Year 2013
8. **Staff Reports**
 - A. Attorney
 - i. Ratification of Storage Compound Permissive Use Agreement
 - ii. OUC Proposed US 192 Tree Work
 - B. Engineer
9. **Supervisor Requests**
10. **Adjournment**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,



Gary Moyer/ir
District Manager

District Office:
610 Sycamore Street, Suite 140
Celebration, FL 34747
407-566-1935

Meeting Location:
7251 Five Oaks Drive
Harmony, Florida

www.harmonyodd.org

Minutes

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 26, 2012, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	Chairman
Mark LeMenager	Vice Chairman
Steve Berube	Supervisor
Kerul Kassel (<i>by phone</i>)	Supervisor
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Larry Medlin	Bio-Tech Consulting
Garth Rinard	Davey Commercial Grounds
Shad Tome	Harmony Development Company
Michael Wallander	EcoCity Partners
Residents and members of the public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Evans called the meeting to order at 9:00 a.m.

Mr. Evans called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the June 28, 2012, Meetings

Mr. Evans reviewed the minutes of the June 28, 2012, regular meeting and requested any additions, corrections, notations, or deletions.

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to minutes of the June 28, 2012, regular meeting.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Presentation by Michael Wallander from EcoCity Partners on PACE Financing

Mr. Moyer stated Ms. Kassel requested this item to be on the agenda some time ago, and this was the meeting that we had Mr. Wallander scheduled to attend.

Mr. Wallander stated I am with EcoCity Partners. We are a firm that works with Cities and Counties. I will say up front that we do not work with special Districts, but we work with Cities and Counties to create a mechanism that allows property owners to voluntarily finance energy-saving, water-saving improvements. Essentially, it is like a retroactive CDD. We let property owners opt into a special District that is typically City-wide or County-wide. We are able to finance energy-saving improvements through their property tax bill through a program called PACE, Property-Assessed Clean Energy. It was authorized by legislation and passed unanimously in Florida in 2010. I believe Ms. Kassel is one of many people who have seen this opportunity for PACE financing come up, asking why it is not authorized for independent special Districts and what opportunities there might be for the Harmony community to explore this on a going-forward basis. My response was that I would be happy to share information about PACE and our program, but really the opportunity would present itself if Osceola County decides this is something they would like to see here in the community. Since 2010, we have secured grant funds to design our program. We have spoken with quite a few banks, and we designed a program that gets banks interested and involved in financing these improvements. We call it an open market program. There are a number of other programs throughout the State, including one that was developed by the City of Kissimmee with Flagler County. There is another in Miami-Dade County, and each location uses different approaches. What sets our program and our approach apart is that we work with banks. As you might imagine, if you are facilitating a property retrofit, you are using new money to fund an energy-saving improvement, and the financing is paid through the property tax bill. It comes ahead of the mortgage, which tends to not make an existing lender very happy. Rather than proceeding with that project the way some other programs do, we first go to the bank. We get their permission and their consent to finance an improvement. We expect that if the property retrofit project makes sense, they will provide the capital for that project. I think there may be interest in the community and in Osceola County for new ways to find liquidity for projects that make sense to make the community and the infrastructure stronger, more sustainable, more energy efficient, and more water efficient, and I think that was the reason for the invitation to speak here today.

Mr. Evans stated you made the statement that you do not provide these services for special Districts, such as CDDs.

Mr. Wallander stated that is not our preference. It is a nuance in the Florida Statutes.

Mr. Evans stated but you provide them for other municipalities, be they Counties or Cities.

Mr. Wallander stated that is correct.

Mr. Evans stated you would fund certain capital improvements and then you would be able to collect or assess those benefited properties through the tax roll.

Mr. Wallander stated that is correct.

Mr. Evans stated it is very similar to the way the District currently does its water-sewer, paving, drainage and other facilities that it has for the benefited parcels.

Mr. Wallander stated that is correct.

Mr. Evans stated these improvements that you suggested, a lot of your infrastructure is basically a delivery system of facilities, be they water, sewer, storm drainage or roadway systems. It is a delivery system going to those homes. Many of them are already Energy Star or Water Star, and they implement a lot of these types of mechanisms to encourage and facilitate energy savings. What type of physical improvements are you referring to for homes, over and above what is already prescribed for Energy Star and Water Star that would be beneficial?

Ms. Kassel stated they do commercial only.

Mr. Wallander stated the reason we do not work with independent special Districts is not because we do not want to; we would love to. It is because when the Florida PACE Statute—Section 163.08, Florida Statutes—was being debated, very conspicuously, the definition of local government included Cities, Counties and dependent special Districts. It specifically did not include independent special Districts. I cannot speak to the wisdom behind that, but there was a reason for it. In terms of the types of improvements that we finance, it is not community infrastructure insofar as roads, underground utility lines or infrastructure of that sort. We finance improvements to private property. We do not finance new appliances for a new home or commercial business, but we do finance a fixture or something that becomes a part of the property—lighting, heating, ventilation, air conditioning, solar panels, water efficiency improvements—anything that is a part of the building and makes it more valuable as well as more energy efficient. Under the Statute, we can also finance wind resistance improvements, windows, roof bracing and support. We can also finance technologies such as natural gas infrastructure or electric

vehicle car-charging stations. This was basically created in California. It was initially focused on the residential market place because that was where the opportunity was. But because of the nature of the financing that comes ahead of the mortgage, Fannie Mae and Freddie Mac took issue with that lien priming function; they view a PACE assessment as more of a loan because it is voluntary. As a result, they have taken issue with PACE financing, which has put residential programs on hold in California, Florida, New York, Colorado and many other States where PACE was initially pioneered. Here in Florida, Leon County is in lawsuit with FHFA. The ability to create programs that are funded by non-ad valorem special assessments is a municipal power that goes back to the days of Benjamin Franklin, who created the first one, but because of the uncertainty in that space, residential programs have been placed on hold, and our program focuses exclusively now on non-residential, which is anything besides a single-family home or condominium and might include commercial and industrial as well as churches, non-profits, schools, multi-family housing. That is what we are focused on, and it is any capital improvement to a commercial or non-residential building that makes it more energy efficient or wind resistant.

Mr. Berube stated to be clear, there is nothing we can do about this today, sitting as this body.

Ms. Kassel stated that is not true. One of the reasons Mr. Wallander came was because we wanted to discuss what kind of influence we might be able to exert on the County to implement this program.

Mr. Berube stated that is what I meant and what the second half of my question was going to be. I gather Mr. Wallander is here to generate interest from this Board and have us go to our County leaders to try to get them involved in bringing this PACE program and make it available in Osceola County.

Mr. Wallander stated that is correct.

Mr. Evans asked what were Ms. Kassel's thoughts relative to commercial? This District has no authority over the design criteria over any commercial projects within the CDD.

Ms. Kassel stated that was not where I was coming from. It was to first alert you to the fact that there is a program available, it can be done through assessments, and there are financing tools available for retrofit. We are just beginning the commercial

development, and there are some commercial buildings that are owned by the developer. The idea is to promote energy efficiency and practices. As the residential program gets closer to resolution, the County can implement this program so that it can be available for both commercial properties and residential properties. It is forward thinking, and I wanted to familiarize you with it, as well as perhaps exert some pressure on the County to offer this program to Osceola County.

Mr. Evans asked in order to do that, would there have to be a revision of the Florida Statutes?

Mr. Wallander stated no. The Statute is fine. Our program is live now in various municipalities, including Palm Beach County. We have been speaking with Lee County on the west coast, as well as municipalities and Counties north to Jacksonville, west to Pensacola, and south to Key West.

Ms. Kassel asked does that also include Kissimmee?

Mr. Wallander stated no, Kissimmee has a different program. We think the approach they are taking is not as prudent as ours. Our focus now is entirely commercial, but we have also been working very closely with members of Congress to try to get a resolution to the issue with Fannie Mae and Freddie Mac. When that happens, no revision to the Statute would be necessary in Florida. Authorizing a residential program is almost like flipping a switch to be able to offer this to residential properties.

Mr. Moyer stated tell me more about the financing: the term of the financing, the tax-exempt financing, the rate, who sets the rate.

Mr. Wallander stated in all programs, it has never been tax exempt. These are taxable micro bonds. You can think of them as a bond, but they look a lot like a loan. In our program, we are merely a conduit to the financing. We have multiple banks involved. The idea is that we let banks compete to provide the most attractive financing. This is a very new program, but in the programs that that are active, we have seen the target interest rate around 7%. We think that rate will come down. It is still pretty attractive compared to the alternatives, but we think the reason that it is high is because it is a new product. The banks and capital providers that are most interested in this want to see the opportunity to securitize these loans and to market them as a municipal bond-like product. There is some securitization and arbitrage risk that I believe they built into the rate. Ultimately, long term the financing is very attractive. It is typically tied to the useful

life of the equipment. If it is an HVAC that has a useful life of 10 years, it will be tied to the 10-year Treasury rate. If it is something like solar that has a 25-year useful life, it will be 20-year financing. Harvard Business Review has called this the most exciting innovation in municipal financing in 30 or 40 years. What is innovative is that as the property is sold, the financing goes to the new buyer automatically.

Ms. Kassel stated the CDD has no liability or responsibility.

Mr. Wallander stated that is correct, and neither does the municipality or the County. The sole source of the repayment is tied to the financing itself.

Mr. Walls asked does your company make its money off commissions or agent fees?

Mr. Wallander stated yes. Some of the other programs will charge a yield spread premium on the financing. We limit our fee to 2.5% project origination fee. We are an extension of the government. For the most part, we are looking just to cover our costs. We very much believe in this, and we think it is a way to help facilitate retrofits throughout the State to make homes and commercial businesses more energy efficient.

Ms. Kassel stated I am excited about it.

Mr. Qualls stated the way I read the Statute, in order for this to work here, the County would have to adopt an ordinance to allow it. Then private owners would opt into the plan.

Mr. Wallander stated that is correct.

Ms. Kassel asked what does Mr. Wallander suggest to the CDD Board? We have not discussed whether or not we agree on this, but if we did, how do you imagine us influencing the County Commissioners to approve this?

Mr. Wallander stated I can offer suggestions, but that is for the Board to decide. We have some precedent in terms of letters showing support for the concept of PACE. Generally speaking, I have not really found anyone besides Fannie Mae and Freddy Mac that are not supportive of PACE. This legislation passed unanimously in 2010. The most that can be done is to demonstrate this is something that is worth them investing a little time to educate themselves on what this might mean for Osceola County. I am happy to support any research or whatever needs to be done in order to make that case. I am happy to work on drafting a letter. But it is really up to the Board to decide.

Mr. LeMenager asked have you already approached the County Commission?

Mr. Wallander stated no. For the most part, there are quite a few Cities and Counties that have reached out to us. We have not been aggressively marketing this to other Cities and Counties unless we are invited.

Mr. Berube stated to be clear, at this point, residential is not available until the question of priority of liens is resolved.

Mr. Wallander stated that is correct. I would estimate that is a process that will take about a year. It will certainly not happen in advance of the election, but we think there is sufficient support in Congress to get this done early to mid 2013.

Mr. Berube asked if the County approves this program, will it apply to commercial buildings immediately, upon their approval?

Mr. Wallander stated yes.

Mr. LeMenager stated it sounds like what you want us to do is introduce you to Commissioner Fred Hawkins, who is the Commissioner for our District. There are five Commissioners for Osceola County, and it sounds like you would like an introduction to one of them to actually explain it to him, if he does not already know about it.

Mr. Wallander stated I would welcome an introduction, but my purpose in coming here this morning is to simply spread the word about PACE.

Ms. Kassel stated aside from an introduction is if we agree that this is a good program that we would like to support, then we can accept Mr. Wallander's offer to draft something showing that support to the County Commissioners, not just Commissioner Hawkins but to all of them.

Mr. Walls stated if Supervisors are inclined to do that, my suggestion is they do that personally as private citizens. I would rather this Board not take any action to approve or disapprove of supporting this program.

Mr. LeMenager stated I would have a question for the attorney as to whether or not this is within our arena to actually issue such a letter.

Mr. Qualls stated the single purpose of the District is to manage infrastructure. I think this has been positive information, but at this time, I would want to look more into the way in which the Board or individual Supervisors would work to do that. The worst-case scenario is that other interest groups would come to you requesting letters of support. I think that is outside the realm of the District, although what PACE is doing very much fits in line with the Harmony community. There is certainly a lot of synergy, but the

single purpose of this Board is to maintain and manage the infrastructure at a high level of quality.

Mr. Evans stated I think Mr. Walls raises a very good point about letters of recommendation. There is no direct benefit to the District for this program because the District does not have the authority to try to implement or require the utilization of this funding mechanism on any of the commercial property because we do not own any commercial interests. We have some existing facilities, such as swimming pools. There is no direct benefit available to the District through PACE. I think it has a lot of potential and a lot of avenues, but there is no advantage to the District relative to this. I think it is very informative and cutting edge. It is different than any other financing tool, such as the bonds that we currently have for the improvement of our infrastructure. I wish you the best of success, but I just do not know that there is an advantage to the District for it.

Mr. Wallander stated I do not disagree with that. As I mentioned, I am merely here to share the information. I am happy to leave my business card. Perhaps a year from now, things will be different. I would not disagree with the approach you have decided to take right now.

Mr. LeMenager stated I am sure we can get you an introduction with the Commissioners.

FIFTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Plant Maintenance – Bio-Tech Consulting

i. Monthly Highlight Report

Mr. Medlin reviewed the monthly aquatic plant maintenance report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Medlin stated last month, we discussed making sure the outfall structures were all cleaned out and sprayed, which we did. Today we will go back to make sure we got them all and make sure they do not need any hand removal. I noticed something else that you might see in the next few weeks. In the buffer areas, there is a lot of broomsedge just about to bloom. It has been here for years and is a good plant, but there seems to be quite a bit of it this year. It is native and is a tall grass, and it circles the ponds. We will look for any other problems today. There are a couple cattail and algae spots to address today.

Mr. Berube asked when you refer to outfalls, do you refer to the concrete structures with the metal grates on top that excess water spills out of?

Mr. Medlin stated that is correct. They are outside the ponds, inside the wetlands.

Mr. Berube stated not every pond has these.

Mr. Gologowski stated every pond discharge has one. Some of the ponds are connected to each other.

Mr. Berube stated we have 34 ponds, but there are not necessarily 34 different outfall structures.

Mr. Gologowski stated that is correct.

Mr. Berube stated there are probably 12 outfalls from what I have noticed.

Mr. Medlin stated I think we located about 20.

ii. Grass Carp

Mr. Medlin stated the Board approved the proposal that I presented last month, but it was not signed, so I was hoping I could get that signed today so that I can proceed.

Mr. Moyer stated please forward a copy to my office when it has been signed by Bio-Tech.

Mr. Evans asked what is the status of the fish stocking?

Mr. Medlin stated I talked with the supplier. He is really busy this week, but he thinks he can schedule us in two or three weeks. He will call me every week to provide an update. We have another project we are installing grass carp, so we are trying to do them all at one time.

iii. Revised Contract

Mr. Evans asked is the revised contract ready?

Mr. Qualls stated yes, and it is complete and ready to be signed for quarterly maintenance for some of the ponds and continued monthly maintenance for the remaining ponds.

Mr. Berube stated I want to thank Mr. Medlin and the management at Bio-Tech. They are always cooperative and work with us. I feel confident when we work with this company.

Mr. Medlin stated thank you for those comments.

B. Landscaping – Luke Brothers

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

Mr. Haskett stated I have been in contact with Mr. Moyer and Mr. Qualls regarding the performance of Luke Brothers since the last meeting. I am not happy at all with it. I think the property is going downhill. The weeds are out of control. They did not reach their full cycle this month or last month for weeding. I posed the question to Mr. Moyer about bringing Davey in early and terminating Luke Brothers. I tried to communicate two or three times a week with Luke Brothers and their representative, but I get the same response: sorry, we did not see that and we will correct it. This just happened with mowing, and that pattern has not corrected itself. They are now down to seven staff members, who are not capable of performing the work of the 13 or 14 we used to have during the heavy growing season. Now is not the time to let the property get out of control. Their equipment is failing constantly. They normally have three to five mowers, and now they have two, so they are not keeping up with their equipment. Today, I found out that they do not even have an edger that is working properly to do any of the work. I get nothing in response from them as to how they are going to correct it. I will pose the question to the Board if you would be agreeable to terminate Luke Brothers and engage Davey early.

Mr. Evans asked based on Mr. Qualls's review and understanding of the contract, Luke Brothers has actually effectuated a breach of contract by failure to perform, which allows us to take the necessary steps for immediate termination?

Mr. Qualls stated yes. My advice would be to send them a letter, which I have already drafted, to put them on notice that they are in material breach of the contract and that they either need to cease operations in seven days, or we will have to look at pursuing a breach of contract claim, in which case the District would not only be entitled to damages but would be entitled to cost, including the prevailing attorney's fees if they were to fight it for any reason. They would lose because there is a long, lasting record of breaches with this agreement, and the Board has been more than patient from what I can tell. My advice is to put them on a seven-day notice for material breach.

Mr. Evans asked are we providing them an opportunity for a right to cure?

Mr. Qualls stated no.

Mr. Evans asked is it a termination notice based on a breach?

Mr. Qualls stated that is correct.

Mr. Evans stated in other words, no matter what they do, we expect them to fulfill their contract for the balance of the term, to a date certain. We are accelerating the termination date of their agreement.

Mr. Qualls stated that is correct. The contract says that the Board can terminate a contract with 60 days' notice for any reason. The reason we included 60 days is because that is how long it takes to go through the RFP process. Under the common law and the Florida Statutes, when there is a material breach, you can put a party on notice that there is that breach. If they were to refuse for some reason to pull out of the community, then you would have the option to sue for a breach. Looking at it from the perspective of Luke Brothers, if they were going to fight that for some reason, not only would they be subject to damages, but also to costs and the prevailing party's attorney fees.

Mr. Evans asked when you notified Luke Brothers of a material breach and provided a termination notice effective for a date certain, then has Davey been informed of the situation to step in and accelerate the commencement of their contract?

Mr. Qualls stated the District Manager has been in contact with Davey, and it is my understanding that Davey is prepared to be mobilized earlier than originally intended. I do not recall the exact date, but I heard August 1 being considered. I would advise giving Davey seven days from when we put Luke Brothers on notice, which would be seven days from today.

Mr. Evans stated if Luke Brothers continues through the end of this month, we have not paid them yet, and we still have an obligation to pay them for services rendered during that timeframe. Is it the recommendation and suggestion that we withhold partial payment for this breach? If we do, how do we prove the magnitude of that breach? Or do we go ahead and pay them for July and accept the consequences for the work performed and move on?

Mr. Qualls stated by and large, that is a policy question that the Board can determine. I believe the Board is entitled to damages if you can somehow determine what Luke Brothers failed to perform and what that cost the District. Legally, you can withhold a portion of the payment. In doing that, I think you are subjecting yourself and opening yourself up to arguments, whereas if you paid them through the end of July, that is also a policy decision you can make. Then you do not need to get into any sort of debate about however the Board would determine the damages.

Mr. LeMenager stated I am not sure you would need to argue it in that fashion. The contract spells out costs for doing certain things. It is quite simple. You list the things they completed, so we are happy to pay them. For the things they did not perform, they have not actually earned that money.

Mr. Evans stated the challenge we may run into is that this is our opinion. They may have a different opinion. For us to withhold funds, they could very easily file a claim, and we will spend more money in legal fees fighting that claim to determine whether or not there was some level of performance in each of these categories. I agree with Mr. LeMenager that there is an allocation for specific performance of certain line items. However, to validate that breach, it may cost you more than the actual payment. That is what I would like to understand a little more, the economic magnitude of a perceived breach. If we owe them a certain dollar amount per month, is it a \$5,000 deduction or a \$10,000 deduction? Or did they just make us mad and it is a matter of having Davey step up, they start performing services, such as mowing or edging, and the problem is corrected.

Mr. Berube stated this started last month. We did not go downhill from last week to this week. I noticed there was no invoice for July, and we pay them a month in advance. The June bill was included in this month's agenda package for consideration. There are actually two bills we probably ought to think about adjusting. It is not unprecedented that we have adjusted their invoices downward for this exact problem.

Mr. Evans stated it has been by mutual agreement when we do that. The Board does not have the unilateral authority to just not pay them because we run the risk of being challenged. It is an economic risk. Do we calculate the true damages versus what it will take to correct them? They can just very easily file a claim, and then the legal process starts.

Mr. Berube stated that rolls into what we consider when we bring in Davey. When Luke Brothers replaced REW, there was a final walk-through. Luke Brothers said it was all fine, but we had a final adjustment with REW. Ten days later, Luke Brothers started saying that certain areas were deficient when they accepted it and there were a lot of dead areas throughout the community, pointing their fingers back at REW. I hope that Davey has a chance to go through the community and review the service areas that they are taking over, and tell us what areas are deficient and what it will cost to fix it. We are at

that stage. We have enough damage here now with things that are undone, weeding that needs to be done, and dead grass that I think there will be a significant amount of money being discussed to bring it back up to standard. I think Mr. Haskett would agree with that theory.

Mr. Haskett stated to a certain point. I think it is something that can be easily controlled once Davey gets onsite and they get the maintenance back up to the level where it should be. What they determine that cost to be can be considered during the walk-through of the property early next week. Damage wise to the property, I think it is minimal at this point. There is some chinch bug damage and things of that nature, but it is not an astronomical figure. I would estimate all of the issues are less than \$5,000, if I had to estimate a number without going into great detail. I think we are at a point where we can minimize any damage by moving forward with Davey. I think if we wait until October 1, then we would be looking at a significant dollar figure.

Mr. Walls stated I am disappointed. I was hoping that Luke Brothers would have stepped up and finished out their term and done the best job possible. I would be in favor of withholding money if there were significant damages to plant material and things we had to replace, tens of thousands of dollars. We are at the point now where I am leaning toward just paying them for the month and get Davey mobilized. As Davey starts maintenance activities, and if that is all it takes to get things close to 100%, then we should just cut our ties with Luke Brothers, pay them, and say goodbye.

Mr. Moyer stated since the July bill is not being paid yet, we will know by the time we receive the bill how big the problem is. Then we can have this discussion at the August meeting.

Mr. LeMenager stated I was going to make that same comment. We have not received an invoice yet, so until they actually bill us for the month of July, it is too early to discuss.

Mr. Berube stated we have received the invoice for July, but it has not been included in the agenda package yet.

Mr. Haskett stated I received their invoice July 1, but I never submit it for payment until after the end of the month when the work has actually been done.

Mr. Evans stated in any dispute, we have an obligation to mitigate damages or put forth an effort to mitigate damages. By doing this exercise, we are mitigating our damages to actually reduce them. At least that works in our favor.

Mr. Qualls stated another thing I would point out is that, if upon receipt of the seven-day notice, Luke Brothers cooperates and moves on, I think that would factor into the Board's decision as to what to pay and in what amount. If they file a claim and want to take us to court, then all bets are off. That would be my advice. Then we can really focus on damages and costs and how to make the Board whole for what I would call a material breach of contract.

Mr. Evans stated the issue before the Board right now is, do we authorize the District's legal counsel to send Luke Brothers a seven-day termination notice with an effective date due to a breach. That is the question for us to decide.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to authorize the District's legal counsel to send Luke Brothers a seven-day termination notice with an effective date due to a material breach of contract.

Mr. LeMenager asked is Davey in a position to start within a week to 10 days?

Mr. Rinard stated we received the question earlier this week and have been giving it consideration and thinking things through. We have already set that possibility in motion, as preliminary preparations, pending the Board's direction this morning. We are prepared for August 1 or the following Monday, August 6, to be able to be on property and initiate maintenance services.

Mr. LeMenager and Mr. Walls stated thank you.

Mr. Berube stated we are glad to have you on board.

Mr. Rinard stated we appreciate the opportunity.

Mr. Evans stated Mr. Rinard has already reviewed the contract. We are simply changing the date from October 1, 2012, which we originally intended, and we are accelerating that date.

Mr. Qualls stated the contract has been approved, and I think all we need to do now, based on today's discussion, is to modify the starting date and get it executed.

Mr. Evans asked what about the term? Will this first term be 14 months?

Mr. Qualls stated we can work on that. I would advise keeping it on the same cycle that it currently ends, September 30. You will still have the one-year options to renew.

Mr. Evans asked is that acceptable to Davey?

Mr. Rinard stated we are fine with that.

Mr. Moyer asked will Mr. Rinard be the person who will attend these meetings?

Mr. Rinard stated yes, in the beginning.

Mr. Evans asked are we going to move forward with the finalization of that contract today?

Mr. Qualls stated yes. I had it prepared for signatures, and I will ask that it be executed, subject to the change of starting date, which will depend in large part on how things go with Luke Brothers.

Mr. Berube stated the starting date will be variable.

Mr. Qualls stated that is correct.

C. Dockmaster/Field Manager

i. Maintenance and Field Activities Report

Mr. Haskett reviewed the monthly field activities report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Haskett stated some of the storms that have come through the past few weeks have caused a problem with the irrigation system. We have had three mainline breaks along Cat Brier, and three solenoids have gone out also along Cat Brier. It appears lightning struck a pine tree and traveled through the roots, right down the mainline. Our irrigation technician has been correcting all those issues. The water feature had a catastrophic event. It sprang a leak in the main seal on the pump, and in doing so, the sump pump finally gave up and quit pumping the water out of the vault that is in the ground, which in turn flooded the vault and took out all the components of the water feature. We have since replaced the feature motor, the feature pump and motor, and some contacts. WESCO Fountains came out and have determined that the variable speed drive and the computer itself need to be replaced. We are waiting on those to find out how soon they can get those installed. The parts had to be ordered because the current unit is no longer made, so they need to come up with another one. We are about \$3,000 into the repairs, and I will estimate another \$3,000 to replace the electronics in it.

Mr. LeMenager stated it sounds as though part of the problem was just the design of how it was made since the electronics got flooded. Can we address design so that the electronics will not be situated in a spot that will get flooded if we have something similar happen in the future?

Mr. Haskett stated I asked that same question. Unfortunately, the way the system is designed with water features is that the vault has to be in the ground, and that is where the electronics are. They do not make a separate unit. It would need to be another structure to house those components. However, what I came up with is similar to homes up north that have basements. They have a secondary sump pump running off of metered water, so we are installing one of those. If there is a power failure with water in there or the sump pump gives up again, this secondary sump pump is set just a few inches higher so if the water level comes up, it is run off of tap water that siphons it out.

Mr. LeMenager stated that is true, we do not have a lot of experience with basements in Florida.

Mr. Haskett stated we are also installing an alarm system so it will sense the water level and set off an audible alarm.

Mr. Berube stated when you say it is run off of tap water, what you mean is that it is run off of a non-electric sump pump. It requires water pressure to drive it.

Mr. Haskett stated that is correct.

Mr. Berube stated there must be some sort of switch to turn on the water that drives this sump pump.

Mr. Haskett stated it is a flow sensor and it is mounted just a few inches higher than the other one so it will only be used as a backup. It will be another couple weeks before we can get the parts in to have it operational again.

Mr. Walls asked what is the possibility of having a manual "on" switch for residents? I am speaking as a dad of two little kids in the situation if we just got over there and it switched off.

Mr. Haskett stated prior to it breaking and failing, we had it set so that it would run throughout the day. I found that it is not that much more expensive to not give it those 15-minute breaks because the motor itself runs on low voltage due to the variable drives. We will just set it and leave it on, so we will not run into that issue.

Mr. Walls stated that would be great.

Ms. Kassel asked does that include overnight? Or will there be a timer to turn it off during the overnight hours?

Mr. Haskett stated it will cycle once during the night so that the chlorine does not build up in the tank. That is the recommendation of the health department. It will run once for about 15 minutes and then it shuts back off again and then will run during the normal daylight hours.

Ms. Kassel stated it sounds like it is a \$6,000 repair that we had not contemplated in our budget. Is it too late to submit this to the insurance company? is it even eligible because it is lightning related?

Mr. Berube asked do we not have a \$50,000 deductible?

Mr. Moyer stated that is for liability. Mr. Haskett can submit the invoices to me and we will forward them to the insurance person who handles these matters for the District to see if she can get something back for us. That is a good suggestion.

ii. Buck Lake Boat Use Report

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

iii. Lakeshore Park Proposal

Mr. Haskett stated I distributed a proposal for the landscaping where we removed the fence around the playground equipment. This was provided by a Harmony resident who owns the Triple Palm Landscape Company. The development company has used this firm on multiple projects, and we are happy with his service and his pricing. This proposal includes adding a hedge along the back of the play area that would complete the viburnum that is missing where the fence was, and it will prevent kids from running out into the wetland. It also factors in multiple trees around the play equipment to provide more shade, as well as a few accents where the gate used to be to dress it up. The total is \$3,208.50.

Mr. Berube stated I am fine with this.

Mr. LeMenager stated it sounds great with six nice trees, a decent size to get started. It sounds like a wonderful idea.

Mr. Evans asked is this part of the overall enhancement program that was presented to us previously?

Mr. Tome stated no, this is separate.

Mr. Berube stated this occurred because we removed the fence that was around the playground, and now we have breaks in the landscaping where kids can escape. This landscaping replaces the fences, in a manner of speaking, to keep the kids inside the playground as well as to enhance the park.

Ms. Kassel asked how will that impact our budget?

Mr. Moyer stated currently, we are under budget on expenditures by \$27,000, and it will be very close this year. As you are aware, under State law, we are permitted to come back and amend the budget within 60 days at the end of our fiscal year. So to the degree that these monies exceed what we currently have budgeted, we will make an allocation out of fund balance to cover those expenses.

Mr. LeMenager stated at this point in time, we are projected to have an overage of \$82,000, and it will probably be even higher than that.

Mr. Berube asked was Ms. Kassel's question related to the line item we would use, or to the overall budget?

Ms. Kassel stated both.

Mr. LeMenager stated in terms of the overall budget, we are \$82,000 ahead right now, and that is with the conservative projections that the accountants would normally make. I am guessing we are probably more than \$100,000 ahead for the year. In terms of our overall impact, there would be no hardship on us for this enhancement. As far as what line item we use, that is a good question.

Mr. Berube stated the pool line item will be fine once we receive \$6,000 for the water feature. This item should probably come from parks and facilities, and contingency.

Mr. LeMenager stated I am fine with it all coming from parks and facilities.

Mr. Moyer stated that is appropriate.

Mr. Berube stated we can move money around between those two line items, so that it does not break our budget.

Mr. LeMenager stated we always do.

Mr. Moyer stated we have a surplus of \$4,600 in that line item that has not been spent on a pro rata basis, so I think we are fine using that line item.

Mr. LeMenager stated we are actually within budget on that line item.

Mr. Moyer stated that is correct.

On MOTION by Mr. Berube, seconded by Mr. Walls, with all in favor, unanimous approval was given to the proposal from Triple Palm Landscape for landscaping improvements to Lakeshore Park, as described, in the amount of \$3,208.50, to be applied to R&M—Parks and Facilities.

iv. Miscellaneous

Mr. Berube stated I have a question that is related to invoices and one of our three staff members. In this month's AT&T bill, there were ring tones purchased for their phones. It is only \$20, but I do not know that anyone authorized that. Why would we have the fanciest phone available for our staff? I am not saying we need to do anything about this, but they need to be told if they want to purchase ring tones, then they need to pay for them.

Mr. Haskett stated we already corrected that. It was more than \$20, and it appeared on the last two bills, if not longer. It was on Mr. Rick Druckenmiller's phone, and he did not download ring tones. We have been in contact with AT&T, and there should be a credit on next month's bill. I am not sure how it got on there, but it was definitely not downloaded, and AT&T recognized that.

SIXTH ORDER OF BUSINESS

Developer's Report

Mr. Haskett stated I have an update on the park in neighborhood G. The playground equipment is going to be delivered next Monday, and we started site work preparations yesterday. We are hopeful that everything will be installed and operational within the next couple weeks. That includes the play structure and a small swing. We will provide some landscape enhancements around that area. This park is located at Blazing Star Lane and Sundrop Street.

SEVENTH ORDER OF BUSINESS

District Manager's Report

A. Financial Statements

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

Mr. Moyer stated we have collected all of our non-ad valorem assessments. As I indicated previously, through June 30, 2012, we are about \$28,000 under budget on expenditures.

B. Invoice Approval #147 and Check Run Summary

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

Mr. Berube stated there are two invoices from FedEx that are noted for Harmony West and Harmony Central. One has a comment that it should be billed to those two Districts, and the other one has no comment at all. They are \$16.38 each. I presume we should not be paying those invoices.

Mr. Moyer stated that is correct.

Mr. Berube stated the invoice from Severn Trent has a line item for copies. How much do we pay for copies?

Mr. Moyer stated I believe it is \$0.25.

Mr. Berube stated this month's copy bill is \$1,047, which indicates more than 4,000 copies. That is out of line. I checked eight months' worth of Severn Trent invoices, and they all vary between \$380 and \$440 each month. Most months, it is \$399.

Mr. LeMenager asked did they charge us for including all the invoices for two months when they said they would not?

Mr. Berube stated I do not know, but this month shows a charge of \$1,047 for copying charges.

Mr. Moyer stated I will provide an answer for you. It may very well be for the copies we made on the landscaping RFP.

Mr. LeMenager stated that would be a fair answer, but please look into it and give us an answer, one way or the other.

Mr. Berube stated virtually all of our OUC accounts have a new line item that shows a deposit on account, most of them for \$200. There is at least one that is \$550 and they all total \$3,950. It has never been on an OUC bill before. Do we really have \$3,950 on deposit with OUC? If so, why, when we pay them \$400,000 annually, year after year? IF it is a mistake, can we then trust their accounts?

Mr. Moyer stated I will look into this. We are not showing that in our fund balance, so it is not in any of our financial statements.

Mr. Berube stated it just came up. It is not unusual to have a deposit of \$200 with a utility company, but normally you get them back after a year. I do not know what happened.

Mr. LeMenager stated there is an invoice to Rental World of St. Cloud for \$40. All the piece of paper says is "miscellaneous debit." That is not a lot of detail.

Mr. Walls stated I believe the next page says it is for an ATV tire.

Mr. Haskett stated typically, a \$40 charge is a repair.

Mr. Berube stated I think the second page explained the reason.

Mr. LeMenager stated then that is fine. There is an invoice for a swing for \$1,300.

Mr. Berube stated the development company will reimburse us for that. There is a note that they bought a swing through the CDD to save the sales tax.

Mr. LeMenager stated that is fine.

Mr. Haskett stated the \$40 charge from Rental World was for dismounting and mounting the tires for the mule.

On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to the invoices, as discussed, deleting the FedEx invoices for Harmony West CDD and Harmony Central CDD.
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C. Public Comments/Communication Log

Mr. Moyer reviewed the complaint log as contained in the agenda package and available for public review in the District Office during normal business hours.

D. Website Statistics

Mr. Moyer reviewed the website statistics as contained in the agenda package and available for public review in the District Office during normal business hours.

E. Legal Fee Reimbursements

Mr. Berube asked have the legal fee reimbursements started to show up on our invoices?

Mr. Moyer stated that is addressed in the notes to the financial statements.

Mr. Berube stated I see that the regular reimbursement is ongoing but there are two separate reimbursements.

Mr. Walls stated I noticed the schedule for reimbursements was included, also. I appreciate having that information.

F. Special Assessment Process

Mr. Moyer stated Mr. Walls made a request to me that was not included in your agenda packages. This is a document that Severn Trent has that explains the special assessment process. It is one of their training manuals. A good bit of this material was put together and paid for by Severn Trent, but was prepared by Mr. Kenza vanAssenderp and

Mr. Qualls. This is the right way to do it, but that does not mean that the people we train understand all of it and do it correctly all the time. As a guideline, this is the right way to levy special assessments. The one thing I will point out, when you read through this, is there is a section titled "benefit and maintenance special assessments." We do not have those kinds of assessments. They go back to Water Management Districts on how you charge or finance water management projects. We did not do it that way; we did it under Chapter 170, Florida Statutes, and not under Chapter 190, Florida Statutes, although it is provided there as well as Chapter 298, Florida Statutes, going back many years. Do not be too concerned about the discussion on benefit and maintenance special assessments because they do not apply to us.

Mr. LeMenager asked does this change anything in the way we have been conducting business for the past eight years?

Mr. Moyer stated no, it does not. There is a discussion related to developer funding agreements, and that applies to the discussion we had on the 2005 assessments, whether they were covered under a developer funding agreement or whether they were an assessment. All of that is provided in this document in terms of how you are supposed to properly handle a developer funding agreement.

Mr. Walls stated the reason I asked Mr. Moyer for this information is because earlier this year, we approved this as our policy for collecting assessments. I wanted to make sure that since this is our policy that we voted on and approved, that we are following everything that is in this document. I am not saying we were not following it, but I wanted to make sure everyone was aware this is what we approved and the policy by which we are operating. We have essentially two assessment rolls. One is sent to the tax collector. One is collected in-house by Severn Trent. We certify and send the roll for platted properties to the tax collector. The other one that is done in-house, who certifies that roll? Should the Board review that roll and approve it? Where is that roll? I do not think we have ever seen it.

Mr. Moyer stated you probably have not seen that roll.

Mr. Walls stated had a process been in place in 2005 where that roll was made available and part of the public record, you may have caught some of those issues that slipped through. What this policy says the way I read it, the roll should be certified by the Board.

Mr. Moyer stated that is correct.

Mr. Walls stated any delinquent or non-payments on that roll, once they become delinquent, are then reported to the Board. Then the Board gives authority to the manager and the attorney to take action to collect those delinquent payments. I want to be sure we are following that section, because it would have helped with the 2005 assessment issue. I know it was a long time ago and there were a different set of issues. But if we can do that going forward, we can prevent those types of issues later.

Mr. Moyer stated understood. When I bring the final budget to the public hearing in August, I will provide a roll for those lots, which will identify the lots and the debt service associated with those lots. We do monitor that on a monthly basis in the financials under the line item for special assessments, CDD collected. There is always something for this Board to track, even though it is not provided lot-by-lot.

Mr. Walls stated I know it will be a lot of tedious information to include parcel IDs and so forth, but the way I read this policy, the Board is supposed to review that roll and approve it.

Mr. Berube stated it allows more people to review it, in addition to staff.

Mr. Walls stated that is my interpretation of the policy. Perhaps the attorney has a different interpretation.

Mr. Qualls stated I agree. I noted a couple things in reviewing this policy. It is a process that the District Manager and the Board goes through. What you do on the roll that is certified to the tax collector, you should do for the direct-collected roll. I think the most important reason you do that review is to have it on the record and you show that you have done that. It is a great suggestion, and I appreciate that someone reads through all these legal documents and ensures that they are implemented. I know the District Manager does a good job with that, as well.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Qualls stated I want to comment on three agreements, two of which we have already discussed. The pond maintenance agreement is finalized and I have it ready for execution today. The biggest change is the quarterly treatments, which results in a savings. On the RFP for landscape maintenance services, there was no bid protest. In this economy, I think that signals how well the Board members did their job of evaluating the

proposals in a thorough, fair and logical manner. Kudos to all involved in the RFP in making it clear and for the review work the Board provided in directing the changes. In this environment, to survive a bid protest is a testament to a job well done. We had 14 days to negotiate the contract with Davey, and that has been done. They have been very easy to work with, so I do not anticipate any further issues with the contract. We just need to change the date and get it executed. The final agreement is the Lakeshore Park acquisition agreement, which I distributed to everyone. As we discussed last month and the Board approved, the developer will construct some boardwalks and docks and other improvements. The developer will construct that, making sure it is constructed using both the materials and the construction practices that the District would approve of, because when the Board acquires these facilities, the Board will maintain these facilities. As the Board discussed, we need to make sure they are constructed in a way that would meet the District's specifications. The acquisition agreement says that the developer will construct the improvements, and the District will acquire the improvements. For those improvements that are constructed on developer property, the District will maintain those upon receiving a perpetual easement that will allow the public to utilize those facilities. The District's single purpose is managing infrastructure, which includes acquiring infrastructure and includes acquiring parks and recreation facilities. This is squarely in line with what the District is designed to do. The agreement says that the developer will construct and build the facilities in a way that meets District specifications. Then the District will acquire those improvements and will do its job to maintain the infrastructure with the focused, pin-pointed management over the long term. The developer has been very easy to work with. They made a few minor changes to that draft, which all add more clarification to the agreement. My recommendation is to execute the finalized agreement.

Mr. Berube asked are you seeking approval from the Board on this agreement?

Mr. Qualls stated I think the Board already granted the approval in the motion that was approved last month. As you review this agreement and have any comments, let me know. I do not think we had a motion to expressly approve the acquisition agreement since the motion was to acquire those improvements once they have been constructed. I think a motion to approve this agreement would be in order and would provide clarity.

On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to the Lakeshore Park acquisition agreement between the District and the Harmony Development Company, as presented, subject to final review by legal counsel, and to authorize its execution.

B. Engineer

There being nothing to report, the next order of business followed.

NINTH ORDER OF BUSINESS

Supervisor Requests

Mr. Berube stated a couple years ago, we discontinued coffee and water at these meetings to save a little money. It has come to my attention that we have hot water available in both pool bathrooms, which means we are running water heaters to provide that hot water. I do not know if there is a law that requires us to have hot water, but from what I read on various websites, it costs between \$250 and \$400 annually to have a water heater, and we have two of them. I do not know if there is any benefit. if there is no benefit and no law, I am not saying we take them out, but we can simply turn off the circuit breaker and potentially save several hundred dollars a year.

Mr. Haskett stated we put them on a timer so they go off at night because the pool areas are closed.

Mr. LeMenager asked is this just for having hot water at the sink to wash your hands?

Mr. Berube stated yes.

Mr. Haskett stated I will check to see if that is a requirement of the health department because of the pools. If it is not, we can discuss it further.

Mr. Berube stated I agree about having the timer, but we are still going to spend some money. The point of shutting them off is to save some money. If there is no legal requirement, I do not see that there is a benefit. We have a bathroom at Lakeshore Park that does not have hot water available in it. I do not see any reason to have it at the pools, purely from the standpoint of saving money. I cannot figure out any benefit of having hot water. The water is usually warm during most of the year anyway. When it is cold in the winter, people are not using the pool.

Ms. Kassel asked are there showers in those bathrooms?

Mr. Berube stated no. They are just toilets and sinks. The only place it is available is the sink where people are washing their hands. It is just about the money. It is not cheap to run water heaters on standby.

Harmony CDD
July 26, 2012

Mr. Haskett stated we can certainly do that at the direction of the Board.

Mr. LeMenager stated this is something I think we should ask of people who use those facilities before we just turn off the hot water. I would be interested if there is any demand for it.

TENTH ORDER OF BUSINESS

Adjournment

The next meeting will be Thursday, August 30, 2012, at 6:00 p.m.

The meeting adjourned at 10:15 a.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman

MINUTES OF WORKSHOP HARMONY COMMUNITY DEVELOPMENT DISTRICT

A budget workshop of the Board of Supervisors of the Harmony Community Development District was held Thursday, July 26, 2012, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present were:

Robert D. Evans	Chairman
Mark LeMenager	Vice Chairman
Steve Berube	Supervisor
Kerul Kassel (<i>by phone</i>)	Supervisor
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Shad Tome	Harmony Development Company
Residents and members of the public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Evans called the meeting to order at 10:20 a.m.

Mr. Evans called the roll.

SECOND ORDER OF BUSINESS

**Comments and Questions on the Proposed
Budget for Fiscal Year 2013**

Mr. LeMenager stated given my comments about increasing assessments in the past, I wonder why we really want to lower the operation and maintenance assessment. I do not want it to come across that I am being inconsistent. I have consistently said, probably since the 2007 budget meeting, that we are in a position where we have an outstanding relationship with the developer and we have maintained nice surpluses year after year with the developer's full participation and cooperation, to help us build a financially stable body with a significant amount of money, which is projected to be about \$750,000 by the end of this year. There has been a change in how the debt service is going to work, but the bottom line to me, what I am seeing in draft 3 is we are going to give up a \$35,000 contribution from the developer to us, which essentially goes to continue to build our financial stability. All we really do is save the average home \$2 a month. I do not want to say that we are going to increase assessments. My proposal is to keep the operation and maintenance assessments where it has been for quite some time. if we go

back to fiscal year 2008, that is when we started collecting just over \$1.5 million in operation and maintenance assessments. We have held that constant for five years. I would argue that we want to keep that at a constant level. I tried this argument on my wife, and she ended up agreeing with me. If we lower the assessments by an average of \$2 per month for the home owners, the price for that is giving up \$35,000 from the developer. To the extent the developer says they prefer staying level, as well, that is a different issue. I have discussed this at budget meetings since before I was on this Board, and the response from the developer has been that they are more than happy with the way things are going. My overall view is, I prefer to keep the operation and maintenance amounts unchanged.

Mr. Walls stated I indicated my support for decreasing the operation and maintenance assessment at the last meeting because we are increasing the debt service assessment. The intent is to keep the overall fees the same amount.

Mr. Moyer stated that is correct.

Mr. Walls stated I think that is a good thing because otherwise, the assessments are increasing for everyone. Mr. LeMenager is correct that it is a small savings for each residential property, but when you include the debt assessment, it would be an increase of more than \$2 per month.

Mr. LeMenager stated no, it would not.

Mr. Walls stated I am proud that we can lower operation and maintenance assessments and still present a great budget. We do that because of the work that staff and everyone provides, looking for ways to save money and to cut costs. I am looking at this budget that staff presented, and I have some minor comments, nothing major. I think it is a good budget. I think it gets everything done that we need to accomplish. It still puts money away. We will have more money in reserves next year than we have this year, if everything goes as planned, even with the reduced operation and maintenance assessment for next year. We are saving money on the landscaping contract. We are saving money on the aquatic plant maintenance contract. I think we should return that to the people. Whether it is the residents or whether we are losing out on \$35,000 from the developer, I try to look at it as landowners, not that we are missing out on a payment from the developer. The developer is assessed in the same manner as all the landowners, based on the amount of land that they own. If they receive a bigger dollar savings because they

own more land, so be it. I do not think we should put priority on receiving money from one group or another or try to get more money from one group or another. All that to say, I like the fact that we can lower the operation and maintenance assessment and keep the total assessment level with what we charged this year, having an increase in the debt service assessment, and still put forth a good budget.

Mr. Berube stated I cannot disagree with anything Mr. Walls mentioned, but I go along with what Mr. LeMenager said, and I lean more strongly toward Mr. LeMenager's viewpoint. As a matter of fact, everyone knows that earlier this year, I proposed that we increase the operation and maintenance assessment by 1%. The background to that was largely the same argument Mr. LeMenager mentioned. If we increase the assessment by 1%, we add \$42,000 to the budget, of which \$26,000 is from the developer and \$15,000 from the residents. It seemed like good math to me. I am not in favor of lowering the operation and maintenance assessment. I have backed off my desire to increase the overall fee, even though not many people complained when Mr. LeMenager posted his position. Very few people were against it.

Mr. LeMenager stated no one opposed it, and in fact, several people said they would be willing to pay the fee.

Mr. Evans stated anytime a Supervisor takes a position, whether there is benefit to one landowner and another class of landowners, it is a breach of their oath. If this Board takes a position in a budget matter or any other economic matter, by which they place one class of landowners at a disadvantage for the benefit of others, that is a breach of the oath. This goes to the point that all landowners are looked at through the same view. I caution you how you take this approach. If you say that you are going to assess the home owners just a few dollars so that you can receive a massive benefit from a landowner that owes a lot of money, then it is not a balance. You are not looking at it impartially. Your motives are different than saying our objective is to keep the assessment level as low as we possibly can to satisfy our obligations, as Mr. Walls so eloquently stated. Our objective that we are very proud of is to monitor our expenditures for everyone and not to raise them just a little bit on the individual lot owners so that we can generate an additional amount of revenue from a large landowner.

Mr. Qualls stated that is correct. In order for the liens against the property to be first liens and to pass the lienability test, you cannot look at who owns the property. You have

to look at the special and peculiar benefits flowing to the property. The landowner should be irrelevant. It should be the benefits flowing to the property itself.

Mr. Evans stated that is a very narrow scope of authority that we have. I have heard comments for years between the home owners versus the developers, like they are some sort of class warfare element going on here. We cannot do that. You have to look purely as landowners through the same set of glasses and for the same objective. You cannot make decisions about making a lot of improvements because the developer is paying 70% of the cost.

Mr. Berube stated my thought was not to give an advantage or a disadvantage to any particular party. It was just a matter of acknowledging how the math works. The math is fixed, and that is just the way it is. Mr. Evans is absolutely right that if we are looking that way, then we need to rethink that process.

Mr. Evans stated perception goes a long way. We cannot start making distinct designations and clarifications between the home owners and the developer. They are all landowners in the eyes of the District. They all pay their assessments based on the calculations in the assessment methodology, and they should all be treated equally, no matter what. That is why we are here. If we start getting outside of that, then we are in breach of our obligations. All it takes is for one complaint to be filed with the State, and it will trigger an investigation where they will go through all the minutes of all meetings, and they will start looking at who said what. It may rise to the level of having to remove a Supervisor from this Board. I caution you to make sure you look at all landowners being the same.

Mr. Berube stated that is a good point that I had not thought about.

Mr. LeMenager stated I am in agreement with Mr. Evans's comments.

Mr. Berube stated the math is fixed, but we need to consider what Mr. Evans said about penalizing one landowner.

Mr. LeMenager stated I do not know that we are penalizing anyone. Everyone pays the same rates. In terms of the rates, I think perhaps our discussion is more on a pragmatic basis as opposed to the reality of who pays the money, not trying to single out one group. I do think Mr. Evans makes a fairly good point.

Mr. Evans asked do we want to discuss the budget by line items?

Mr. Walls stated we did that last year, and I think it worked pretty well.

Mr. Evans stated I have to compliment the Board as well as Mr. Moyer and his staff. The line items in this budget have been enhanced and improved every year, which makes it easy to follow and manage the expenditures. That helps when it comes to a budget workshop.

Ms. Kassel asked which line item would be affected by the discussion last month from Mr. Haskett and Mr. Berube about the possibility of bringing in a firm to provide pool attendants to oversee the use of the pools? Would that be field services or professional services? I do not see that item reflected in the budget, so I do not know what line item it should be in, if you want to mention it as we get to the appropriate line item.

Mr. Berube stated we have not had a presentation on that yet.

Mr. LeMenager stated before we get into the individual line items, we have had two Supervisors argue about keeping the operation and maintenance assessment at the same level as this year's level. I think we have heard from two who are not in favor of keeping it at the same level. What is Ms. Kassel's position on that?

Ms. Kassel stated my position in the end will largely depend on how these numbers fall out as we continue to discuss them.

Mr. Evans stated we will go through the budget, line item by line item. As we get to one that needs more time for discussion, we will discuss it in more detail.

Mr. Walls stated I think I made this comment last year on discounts, and I am not advocating that we change it, but discounts are conservatively budgeted. Generally we are 10,000 or \$15,000 ahead on that line item just because of the way the discounts fall out.

Mr. Evans stated that is correct. We are obligated to use the standard discount percentage of 4%.

Mr. Moyer stated we assume that everyone will pay early to take advantage of the full discount.

Mr. Walls stated I just want to make sure everyone is aware of that, and it is usually an extra source of revenue for us.

Mr. Berube stated I believe we consistently gain on that line item.

Mr. LeMenager stated that is driven by the bad economy and all the foreclosures we had, so hopefully you will see more and more people taking advantage of the discounts.

Ms. Kassel stated which results in less of an advantage on the budget.

Mr. LeMenager stated that is correct; we will collect less of the money from tax certificate sales and more of the money from real taxpayers.

A. Administrative Expenditures

1. Payroll—Board of Supervisors: *Nothing changed on this line item.*
2. FICA Taxes: *Nothing changed on this line item.*
3. Professional Services—Arbitrage Rebate: *Nothing changed on this line item.*
4. Professional Services—Dissemination Agent: *Nothing changed on this line item.*
5. Professional Services—Engineering: *This item was reduced to \$5,000.*

Mr. Evans stated the budget for the engineer is \$11,000. I do not know that we have a lot lined up for civil engineering.

Ms. Kassel stated the Lakeshore Park project will be costly.

Mr. Berube stated that has already been accounted for.

Ms. Kassel asked so all of the costs for engineering are being funneled through the developer, and we will not incur any expense on that on our own?

Mr. Evans stated as a point of clarification, the improvements that will be made to Lakeshore Park will be covered under the capital projects fund since we need to use up the balance of the funds in that account so we can close it out.

Ms. Kassel stated so everything we would pay the engineer would come out of the capital projects funds.

Mr. Evans stated if there are any projects outside of the Lakeshore Park project, which is about \$115,000 to \$120,000 where we are contributing about \$62,000 toward, if the Board elects to do any other special projects, such as an analysis on reserves as far as deterioration of existing facilities and potential repairs, that would come under engineering. If we asked him to do an assessment on the drainage system or things of that nature, that would come from the engineering line item.

Ms. Kassel stated we did not actually discuss this project at this meeting. The budget line item is more than double what we spent this year.

Mr. Evans stated that is my point. Do we feel we need \$11,000? I do not see any kind of major improvements on the horizon that would require the expenditure of \$11,000.

Mr. LeMenager stated the last time we spent a significant amount of money was 2010 when we spent \$20,000. In 2011, we spent \$7,600, and this year, we will probably spend around \$5,000. Clearly, as the community is more established, are there any major infrastructure projects coming up? That is when we are going to need engineering.

Mr. Berube stated we need to be careful with some of that, because the community is aging.

Mr. LeMenager stated I agree.

Mr. Berube stated as things age, they get more expensive to maintain and repair.

Ms. Kassel stated we could reduce it to \$8,000.

Mr. Berube stated I was thinking about \$7,500.

Mr. Evans stated I was going to suggest \$5,000.

Mr. Walls stated \$5,000 sounds fine. To that point, I know Mr. Boyd had an invoice in this month's agenda package, and I do not remember if any of that included the Lakeshore Park project or not.

Ms. Kassel stated it did.

Mr. Evans stated I think it was the plat.

Ms. Kassel stated there were three things on the invoice. One was for attending the meeting, one was for the plat, and I think one was a Lakeshore Park item, perhaps in preparation or something.

Mr. Qualls stated he updated the engineer's report.

Mr. Evans stated he validated our ability to use the funds from the 2004 capital improvement fund.

Mr. Walls stated that may not be considered work on the actual project.

Mr. Moyer stated that is correct. He did that on our behalf.

6. Professional Services—Legal Services: *Nothing changed on this item.*

Mr. Evans stated this is tied directly to every time we call Mr. Qualls to ask questions and request him to render legal opinions for things.

Mr. Qualls stated I serve at the pleasure of the Board.

Mr. LeMenager stated I think we should make it \$30,000. Let us be realistic about what we have been spending year after year: \$23,000, \$34,000, \$40,000, \$20,000, \$21,000, \$27,000, and this year \$32,000.

Mr. Walls stated I think the amount for this year includes the 2005 assessment issue, which I consider an extraordinary cost.

Mr. Berube stated that was \$9,000 for that item.

Mr. Walls stated I like the budget figure of \$25,000 that has been presented.

Mr. Berube stated if you reduce this year's expenditures by \$9,000, that brings the projection to \$23,000, which is in line with the proposed budget figure. I am fine leaving it at \$25,000.

7. Professional Services—Management Consulting Services: *Nothing changed on this item.*

Mr. Evans asked does this include the amount projected for additional staff?

Mr. Moyer stated no, that is included under field payroll. This is just for me, Ms. Brenda Burgess, and Severn Trent accounting, clerking and reporting.

Mr. Evans asked does that take into effect any of the credits?

Mr. Moyer stated no. I thought we decided to leave the budget where it is, but you will then run a \$13,000 surplus at the end of next year because we will continue to bill monthly at a lesser amount. My preference is not to lower the budget figure because next year, you will go back to the \$55,000 figure.

Mr. Evans stated as long as we are all cognizant of those details. We can leave that as it is.

Mr. Berube asked does everyone recognize there is a 3.5% increase built into that line item?

Mr. Moyer stated no, there is no increase in that line item. That is for salaries under field management, but not for management consulting.

Mr. Berube stated I noticed 3.5% is included in the narrative. That is not for the entire Severn Trent package?

Mr. Moyer stated no.

Mr. Berube asked Severn Trent's management consulting fee is staying flat?

Mr. Moyer stated that is correct.

Ms. Kassel stated if you look at the adopted budget for fiscal year 2012 and the proposed budget for fiscal year 2013, they are the same number.

8. Professional Services—Property Appraiser: *Nothing changed on this item.*

Mr. Berube asked is this the item where we had the argument with the County over who billed us?

Mr. Qualls stated I need clarification for that item. I know the tax collector receives funds to cover the actual cost of collection or 2%. I am not sure why there is any fee for the property appraiser. I do not think there would be anything that you need to include in the budget, but I will confirm that.

Mr. Berube stated we paid it this year.

Mr. Moyer stated we budgeted for it this year, but we have not paid anything this year.

Mr. LeMenager stated we have never paid anything to the property appraiser.

Mr. Qualls stated I will contact their office and confirm that.

Ms. Kassel asked since we are looking at other professional services, where would we budget for any kind of pool supervision?

Mr. Moyer stated under field services.

9. Professional Services—Special Assessments: *Nothing changed on this item.*

Mr. Evans asked is this for preparation of the assessment rolls?

Mr. Moyer stated that is correct.

10. Professional Services—Trustee: *Nothing changed on this item.*

11. Auditing Services: *Nothing changed on this item.*

Mr. Evans stated these fees are consistent with last year.

12. Communication and Telephone: *Nothing changed on this item.*

Mr. Evans stated this provided for an additional phone.

Mr. Berube asked is that just for telephones in Mr. Moyer's and Severn Trent's offices?

Mr. Moyer stated yes.

13. Postage and Freight: *Nothing changed on this item.*

14. Insurance—General Liability: *Nothing changed on this item.*

Mr. Evans asked does this include a projected increase?

Mr. Moyer stated yes.

15. Printing and Binding: *Nothing changed on this item.*

Mr. Evans stated we printed RFP packages this year.

Ms. Kassel stated we should not have that expense next year.

Mr. Berube stated it also includes the monthly agenda packages.

Mr. Walls stated I am fine with the proposed amount of \$5,000, but I will mention again that I think we can save a substantial amount by going to electronic agendas.

Ms. Kassel stated I agree.

Mr. LeMenager stated then we need to purchase computers.

Mr. Walls stated we can get tablets for about \$200.

Ms. Kassel stated that would be less expensive than \$5,000 for printing and binding.

16. Legal Advertising: *This was reduced to \$500.*

Mr. Walls stated I think we can decrease this amount to about \$500.

Mr. Qualls stated you switched to the Osceola News Gazette about halfway through the year, which was a substantial savings.

Mr. Evans stated I support decreasing it to \$500.

17. Miscellaneous—Assessment Collection Cost: *Nothing changed on this item.*

Mr. Evans asked is this predicated on a percentage?

Mr. Moyer stated that is correct.

Ms. Kassel stated it looks to be a little lower for next fiscal year than the projected actual for this current fiscal year.

Mr. Evans stated it is 2%.

Mr. Moyer stated that is correct, and it is based on the assessment levy.

18. Miscellaneous—Contingency: *This item was reduced to \$500.*

Mr. Evans stated we rarely use the contingency line item.

Ms. Kassel stated it is still good to have.

Mr. LeMenager stated this goes to one of my overall concerns. In the first draft of the budget, there was \$89,000 in contingencies, and now we have reduced it to \$53,000.

Mr. Walls stated we still have a contingency reserve in this budget of about \$135,000. It is termed Unassigned Fund Balance, but we will have this amount in addition to that.

Mr. LeMenager stated that is if we agree with what we are doing with reserves, which is essentially leaving reserves unchanged. I am not sure I favor that.

Mr. Berube stated before anyone says we do not need that excess money, I would argue that we do need it.

Mr. Evans stated this line item is \$2,800 and we are probably projected to spend \$112. I think we need to keep the budget as realistic as we can.

Mr. Berube asked should we reduce it to \$500?

Mr. Evans stated I would agree to that.

19. Office Supplies: *This item was reduced to \$1,000.*

Ms. Kassel stated we could probably reduce this to \$1,000.

Mr. Walls stated I agree.

20. Annual District Filing Fee: *Nothing changed on this item.*

Mr. Evans stated this is a fixed amount.

B. Field Expenditures

1. Professional Services—Field Management: *Nothing changed on this line item.*

Mr. Evans stated this is for our field employees. We discussed possibly adding pool personnel. Is this number reflective of that suggestion?

Mr. Moyer stated no.

Mr. Walls stated I thought we discussed having it as a contract with a staffing agency or something along those lines.

Mr. Berube stated that is correct; this would not be a permanent staff position.

Mr. Walls asked is it proposed only for three months?

Mr. Haskett stated the thought was to have the pool staffed during summer break while kids are out of school.

Mr. Evans asked will we need a separate line item for this part-time staffing?

Mr. Walls stated it would be a contractual service with an agency if we decide we need something like that.

Ms. Kassel asked do we have an idea what the cost would be?

Mr. Haskett stated no.

Mr. Berube stated I see this as being problematic, but that is my opinion.

Mr. Evans stated the current budgeted amount is \$119,113.

Mr. LeMenager asked how much overtime is included in that figure?

Mr. Berube stated overtime hours have been decreasing fairly steadily, to the point where it is almost nothing now.

Mr. Moyer stated \$200 per month, or \$2,400 per year.

Mr. Berube stated that seems fine. We included a 3.5% increase in salaries plus the overtime amount. I do not think there is a lot of extra in this line item, and I think we ought to leave it as it is.

C. Landscape Expenditures

1. Utility—Refuse Removal: *This item was increased to \$2,000 and should be deleted from Landscape and moved to Operation and Maintenance.*

Mr. Evans stated we are providing most of this service in-house. Is there a dumpster fee?

Mr. Haskett stated yes, there will be to Waste Services. We discussed a few meetings ago in relation to the landscape company that we are utilizing their dumpster, and I mentioned that we need to start providing that service on our own. It is about \$120 per month for the service, and the container is dumped once each week. As I reviewed the budget, there is a line item for common area maintenance.

Mr. LeMenager stated there is a line item for refuse removal. Is that where we want to apply that service?

Mr. Berube stated it probably ought to fall under that line.

Mr. LeMenager asked is it for landscaping?

Mr. Haskett stated no, it is more for trash.

Ms. Kassel stated then it should be operation and maintenance.

Mr. LeMenager stated I agree.

Mr. Walls stated I suggest we increase it to \$2,000 in case there are some additional fees, for the dumpster or for whatever reason.

Mr. Berube stated to be clear, this dumpster will take everything: green waste, trash, doggie pots.

Mr. LeMenager stated I do not think this item should be in the landscape category. This was in the landscape category for three years because of the nature of our contract with Luke Brothers. That is why it then vanished. It really belongs in the operation and maintenance category. We can create a new line item for it.

Mr. Walls stated we should just remove this line item from landscape and move it to operation and maintenance.

Ms. Kassel stated we could incorporate it under common area.

Mr. Walls stated since we already have a line item for it, I think it would be nice to keep it.

Mr. Evans stated we will allocate \$2,000 for this and move the line item to fall under operation and maintenance, cut and paste.

2. Contracts—Grounds Maintenance: *Nothing changed on this line item.*

Mr. Berube asked are the new figures from Davey Tree included in these numbers?

Mr. Moyer stated yes.

Mr. LeMenager stated it appears it is all included under turf care in one number instead of breaking it out.

Ms. Kassel stated all of these items are pretty much set. We moved some contingency items and miscellaneous items. It is my understanding that these are the Davey contract amounts, and we moved any additional amounts that were in miscellaneous services down to a specific line item for miscellaneous services.

Mr. Moyer stated that is correct.

Ms. Kassel stated we may want to make changes to miscellaneous services, but the others are pretty set based on the contract.

3. Repair and Maintenance—Irrigation: *This item was increased to \$20,000.*

Mr. Berube stated I have mentioned this before, but I would like to add a line under irrigation to break out the costs associated with Maxicom. Part of that would include the telephone lines that are dedicated to Maxicom. We briefly discussed going wireless, but those telephone lines cost \$100 per month. Maxicom is aging, and it is getting more and more expensive to maintain, which is why I requested a separate line item. I think as it ages, it will become surprisingly expensive.

Mr. LeMenager asked what line item is it coming from now?

Mr. Berube stated I believe the whole irrigation line item.

Ms. Kassel asked do the telephone costs get applied to the telephone line item?

Mr. Berube stated the telephones blend into our other telephone costs.

Ms. Kassel stated you are asking to take them from the telephone line item and put into a separate line item for Maxicom.

Mr. Berube stated yes. It can fall right after R&M Irrigation. It is a matter of shifting some money around.

Mr. LeMenager stated I would surmise that it is included under operations and maintenance for telephone. I am not sure where it is applied, but I would be surprised if it is R&M Irrigation.

Mr. Moyer stated Mr. LeMenager is correct; it is included in operation and maintenance for telephone. The only thing included in the irrigation item is system

management for \$3,000, unscheduled maintenance and repair of the weather station for \$1,400, and irrigation supplies of \$12,000 for a total of \$16,400.

Mr. Walls stated I think system management is what we pay to Walker Technical Services. Rather than complicate it, would staff be able to prepare a separate spreadsheet on those costs if we requested it?

Mr. Moyer stated yes, that would probably be easier.

Mr. Berube stated that is fine.

Mr. Moyer stated otherwise, we would need to take every phone bill and break it down into components for budget purposes.

Mr. Berube stated the lines from Century Link are only for Maxicom.

Mr. Walls stated I am fine with whatever is easier for Mr. Moyer's staff.

Mr. Berube stated if we do not care what we spend on Maxicom, that is fine, but as it ages, it will be surprisingly expensive.

Mr. Walls stated I am not saying that I do not care. I am just saying it might be easier for staff to prepare a spreadsheet showing the costs related to Maxicom.

Mr. Berube stated irrigation is not set by contract since that is done in-house. We spent \$6,000 on mapping this fiscal year. Was that applied to the irrigation line item? I am trying to get an accurate cost on what we spent for this year on irrigation.

Ms. Kassel stated it looks like we did.

Mr. Berube stated we will not have this expense for fiscal year 2013.

Mr. LeMenager stated we are going to spend \$34,000 on an aging system, so \$16,400 will not be enough.

Mr. Berube stated that is correct; \$16,400 is not a good number.

Mr. Evans asked was that based on Luke Brothers providing this service previously?

Mr. Moyer stated yes.

Mr. Walls stated we paid a lot of money this year to Luke Brothers for irrigation repairs.

Mr. Evans stated a lot of the repairs that drove this up to \$34,000 was Luke Brothers providing that service. We made the transition doing it in-house.

Mr. Berube stated to reduce it in half is too much.

Mr. LeMenager stated in our meeting just prior to this workshop, we discussed a lot of problems along Cat Brier, and I saw the crew out there digging it up. It was not one of

our employees; it was two of our employees working on it. Clearly our irrigation person is not able to handle emergencies since he called for help.

Mr. Haskett stated it takes two people to repair main lines.

Mr. Walls stated this also includes \$7,000 for the utility vehicle for this year.

Mr. Berube stated that brings the total to \$27,000.

Mr. Haskett stated that is correct. I am not sure why it was included in that line item.

Mr. Walls stated I think the rationale was that this vehicle would be used for the irrigation technician.

Mr. Evans stated that was for parts and labor, and now labor is in a different line item.

Ms. Kassel asked do we want to reconsider \$25,000 or \$30,000 for this line item?

Mr. Berube stated considering the vehicle was included in the \$34,000 projected actual costs, I would like to increase the \$16,400 to \$20,000. I would feel more comfortable with that number.

Mr. LeMenager stated I agree.

4. Contracts—Tree Canopy Trimming: *Nothing changed on this line item.*
5. Contracts—Trees and Trimming: *Nothing changed on this line item.*
6. Contracts—Turf Care: *Nothing changed on this line item.*
7. Contracts—Shrub Care: *Nothing changed on this line item.*
8. Miscellaneous Services: *Nothing changed on this line item.*

Mr. Berube stated this line item is the only thing that is not fixed, but I am fine leaving it as proposed.

Mr. Walls asked what are we contemplating for this line item?

Mr. Evans stated anything that is not contemplated elsewhere in the budget.

Ms. Kassel stated we have a number of things that we have discussed, such as spending \$3,000 to put hedges around the playground that we did not anticipate. There are other park enhancements and facilities we may consider, and we still need to refurbish various landscaping infrastructure that has died.

Mr. Walls stated I am not saying that I do not think we can use this line item. I was just wondering if there were special projects that we would apply to this line item.

Mr. Berube stated with a new landscaping company, I think we will feel more comfortable doing more enhancements to these areas where it is brown mulch now. I can see a lot of that happening, so I am fine leaving the amount as proposed.

Mr. Haskett stated I foresee additional trees being planted because of the ones that died from disease. I am comfortable with that number.

D. Utilities Expenditures

1. Electricity—General: *This item was reduced to \$30,000.*

Mr. Walls stated I think there is room in this line item.

Mr. Berube stated there is a lot of room because that number should be fairly fixed.

Ms. Kassel stated we can probably reduce it by at least \$5,000.

Mr. Berube stated we will save \$3,000 just by shutting off those water heaters.

2. Electricity—Street Lighting: *Nothing changed on this line item.*

Mr. Evans stated there is a provision in the street light agreement that allows for a fuel charge adjustment. I recall it is about 3%. I do not know if we have actually seen it reflected, but we can always allocate monies to this line item in the event they do exercise that provision.

Mr. Berube stated the actual costs were \$377,000 in fiscal year 2011, and we are projecting to spend \$378,000 in fiscal year 2012, so it barely rose \$1,000.

Mr. Evans stated it is included in the street light agreement, so they have the ability to do it, whether they have exercised it or not. I do not think they have.

Mr. Berube stated if we increased it 3%, that would be \$10,000, so it looks like it is included in the proposed budget figure.

3. Utility—Water and Sewer: *Nothing changed on this line item.*

Ms. Kassel stated this number looks good, based on actuals for fiscal year 2011. We are dealing with a lot of the irrigation breaks in-house and preventing them, which was the reason our costs were so high in 2011.

E. Operation and Maintenance Expenditures

1. Contracts—Lake and Wetland: *This item was reduced to \$25,000.*

Mr. Evans stated this includes the revised number based on our change in frequency of monitoring certain ponds.

Mr. Walls stated it includes other things, such as \$16,000 for unscheduled maintenance.

Ms. Kassel stated that is a lot of money.

Mr. Walls stated we just did a major planting at Long Pond, and have done plantings on a number of other ponds.

Mr. Berube stated this line item would also include stocking the grass carp. The actual contract for routine maintenance is \$16,000. If we add \$9,000 to that, we would be at \$25,000 for that line item. I would be comfortable with that.

Mr. LeMenager asked we are spending \$30,000 but we are going to budget \$25,000?

Mr. Walls stated the \$30,000 included some pretty big plantings.

Mr. Berube stated they were \$6,000 or \$7,000.

Mr. LeMenager stated I appreciate that, but it just depends on how much you want to plant in the ponds next year.

Mr. Berube stated I think we are fine with the plantings we have. You should not make too many changes all at once.

2. Communication—Telephone: *This item was reduced to \$6,000.*

Mr. Evans stated this item is proposed to be double our actual expenditures this year. Is that for the additional phone for the employees?

Mr. Haskett stated yes, as well as the data plans for the cell phones, but it should not be that high.

Mr. Berube asked why are we increasing it from \$4,800 to \$8,000? We already have their current phone and data plans, and we have a projection.

Mr. Walls stated it is about \$300 each month.

Mr. Moyer stated that also includes the phone lines for Maxicom.

Mr. Berube stated that is another \$100 each month. The projection is correct at \$4,800.

Mr. Evans asked how about a budget of \$5,000 instead of \$8,000?

Ms. Kassel stated I would go with \$6,000.

Mr. Walls stated I agree with \$6,000, just in case we add something.

Mr. Berube stated I do not foresee adding another employee this year.

3. Repair and Maintenance—Common Area: *Nothing changed on this line item.*

Mr. Berube stated it looks like the proposed budget is very close to the projected actual number.

4. Repair and Maintenance—Equipment: *Nothing changed on this line item.*

5. Repair and Maintenance—Pools: *This line item was increased to \$57,000 with the furniture repair item to be changed to furniture repair or replacement at \$20,000.*

Mr. Berube stated we need to replace furniture at the Swim Club. I anticipate that is worth \$20,000. All the furniture at the Swim Club is broken or falling apart. It has been out there for 10 years.

Mr. LeMenager stated the pool is also getting older.

Mr. Moyer stated we included \$3,000 in the budget for furniture repair.

Mr. Berube stated I do not know what it will cost, but it seems to me that every piece of furniture in that pool was worth \$500.

Mr. LeMenager stated so far, we have reduced seven line items and just increased one.

Mr. Berube asked is my estimate of \$20,000 for pool furniture reasonable?

Mr. Haskett stated yes.

Mr. Berube stated they each cost \$500, and there are at least 40 pieces, maybe more.

Mr. Haskett stated we can budget that amount, but we can always try to find something less expensive.

Ms. Kassel asked do we need to replace it all in one year?

Mr. Berube stated if you go there and look at the lounge chairs and seating chairs, they are breaking while people are sitting on them.

Mr. Haskett stated we have been repairing them over the past three years to get more life out of them.

Mr. Berube stated also related to the pools, the second heater is broken. The first one cost \$18,000 to replace.

Mr. Haskett stated I received a quote for this one that is just under \$17,000.

Mr. Berube stated I would like to move away from those heaters that cost \$20,000 each every five years, and go with solar heat. We are looking to spend \$18,000 on one heater. I do not know what we can get for \$20,000 for solar, but Mr. Haskett can probably do a really good job of getting solar to that pool, and it will last 20 years.

Mr. Haskett stated I have done a lot of research on it, and it depends on whether you talk to the solar people or the geothermal people under efficiency and the expected life of solar heat and how well it will heat the pool. From what I found, it would not be cost effective to do solar heat. My recommendation is that we get through this next winter on the one heater. The second heater that went out only kicks in under extreme cold

temperatures. The geothermal people believe one heater will be sufficient for that pool. I do not see making any changes to the heating of the pool in this upcoming budget year.

Mr. Berube stated my concern is, as a Board, we are required to maintain infrastructure. We have two heaters and both have to work.

Mr. Walls stated that is if we need two heaters.

Mr. Berube asked what happens if the primary one goes out? Now we have zero heaters.

Mr. Walls stated then the water gets cold.

Mr. Berube stated I am not sure that is what the residents expect.

Mr. Evans stated then we get the heater fixed.

Mr. Berube stated everything is getting older and more expensive. We will continue to face this, and we have to plan for it.

Mr. LeMenager stated you are correct. We are getting back to my earlier comment that we are cutting the contingency money to the bone. The community is getting older.

Mr. Berube stated this will happen more and more often. We did not expect the pool vault to flood, either. If we decide not to fix the secondary heater and the primary one goes out, someone will come here and complain that they expected a heated pool. How do we tell them we did not do it because we thought it would be acceptable? I do not see that as our role. It is just like all the broken furniture; we have to replace it.

Mr. Evans stated let us discuss the furniture again. What do we need to include for furniture?

Mr. Berube stated I recommend \$20,000.

Mr. Haskett stated I agree with \$20,000.

Mr. Evans stated it will increase from \$3,000 to \$20,000.

Mr. Walls asked does it all absolutely need to be replaced right now?

Mr. Berube stated go take a look at it.

Mr. Haskett stated I have not taken a recent count, but there are probably 20 pieces of furniture that are not there now that used to be there in the earlier years. They have fallen apart and have not been replaced.

Mr. Evans stated if we increase this line item from \$40,000 to \$57,000, that takes into consideration an increase for replacement of the furniture. We still have unscheduled maintenance of about \$12,000. Will it suffice for that one adjustment?

Ms. Kassel stated furniture replacement should not go under contingencies.

Mr. Evans stated it is not under contingency. There is a series of line items that are included in this pool budget item. Repair for furniture is already included at \$3,000. We want to change the designation to replacement of furniture and make it \$20,000, which is a \$17,000 adjustment to the budget as presented.

Ms. Kassel stated you are referring to renaming one line item and adding \$19,300 or something to that effect.

Mr. LeMenager stated in the narrative, we change that line item from "repairs to furniture" to "replacement and repair of furniture."

Mr. Berube stated there are not a lot of repairs to be made.

Ms. Kassel stated I think we are talking about the same thing.

Mr. Evans stated so we will increase this line item to \$57,000.

Mr. Berube stated for an enhancement, I am thinking about an additional shade structure inside the pool area. I know it is a pool and people want to go there for the sun. But if you go there on a weekend, everyone crowds under that single shade structure. That is the area where people want to sit. A lot of people sit out in the sun and play in the pool, but shade is a big deal nowadays. I do not recall how much that shade structure cost. Was it \$5,000?

Mr. Haskett stated I just priced them recently, and they are just under \$8,000, installed.

Mr. LeMenager stated they look like the ones that are at the bus stop.

Mr. Berube stated that is exactly right. It is a canvas material. People crowd under that and drag the furniture. People like the shade. I realize we are spending money.

Mr. Walls stated I think we fix the furniture and consider the shade structure next year.

Mr. Evans stated I agree.

Mr. Berube asked do you use the pool very often?

Mr. Walls stated my wife does. I work during the day.

Mr. Berube stated I understand that, and I appreciate it. I hear comments from people. This community is growing. We have more homes occupied than ever before. The pools are getting a lot of use. I was there last night at 7:00, and there were 45 people. I was surprised. I go there on the weekends. There are sometimes several parties. We use the

pools nearly every day when I am home, and the shade structure gets a lot of use. People like it.

Mr. Evans stated let us increase this item to \$57,000, and then see how the budget plays out going into next year as far as how close you are on the budget. If you have some extra money, you can consider this.

Ms. Kassel asked have we decided to nix the pool supervisory services for the next budget year? We discussed this briefly last month where we could contract with a company to provide an employee to supervise the pool use.

Mr. Berube stated I think that will prove to be so expensive that we will decide against it. That is my presumption.

Mr. Haskett stated I may have been premature on that request. Perhaps we can consider it for the following budget year.

6. Repair and Maintenance—Roads and Alleyways: *This line item was increased to \$5,000.*

Mr. LeMenager stated let us consider reality. We will spend \$5,400 this year in this category. We spent \$3,000 in the past. I think \$1,000 is completely unrealistic in a community that has aging infrastructure. We are responsible for the alleys. They will cost us money over time, and it will not be \$1,000 a year.

Mr. Walls stated I was going to suggest \$5,000.

Mr. Evans asked did we have an erosion issue that cost about \$4,000?

Mr. Moyer stated yes.

Mr. Walls stated something like that will happen again, so I recommend \$5,000.

Mr. LeMenager stated we will definitely have alley issues.

7. Repair and Maintenance—Sidewalks: *Nothing changed on this line item.*

Mr. Evans stated this includes monies for grinding the sidewalks.

Mr. Berube stated we have some sidewalks that are in need of work. Are we going to continue to grind them in-house?

Mr. Haskett stated yes. We are waiting to see how the budget is before providing a proposal for purchasing a grinding machine instead of renting one.

Mr. Moyer stated we do that in Celebration, and it works pretty well.

Mr. Berube stated I seem to recall that Severn Trent has a grinder.

Mr. LeMenager stated I would like to keep track of our actual costs for sidewalks separately. As Mr. Moyer indicates in Celebration, over time, as these tree roots continue to destroy the sidewalks, we will have an increased need for grinding and sidewalk repairs.

Mr. Berube stated there are four or five on the sidewalk on Beargrass in front of my house toward the school.

Mr. Haskett stated I am aware of those. I requested monies for this activity in my review of the budget with Ms. Fazeela Khan.

Mr. LeMenager stated clearly, though, there are no monies being added for this activity.

Mr. Berube stated if we rent something from Rental World, it might not be applied to this line item. The labor for our staff to do this work comes from field services. Unless the Rental World invoices get designated with the proper code, they will never get applied to the right line item.

Mr. Walls asked how much is a grinder?

Mr. Haskett stated about \$3,000.

Mr. Walls stated let us leave this line item at \$4,000, and it can go toward the cost of purchasing a grinder.

8. Repair and Maintenance—Parks and Facilities: *Nothing changed on this line item.*

Mr. Berube stated there is a significant increase for next year's budget that includes something.

Mr. Qualls asked would that be to maintain the improvements that the District will acquire, being the boardwalks and the docks?

Mr. Berube stated I would not expect it to be that expensive since they are brand new.

Mr. Qualls stated I am not opining on that aspect.

Mr. LeMenager stated the narrative indicates it is for maintenance and repair of basketball courts and athletic fields, including sod replacement. The soccer field needs some work since there is a huge patch in the middle that needs to be fixed. This item is also for cleaning the basketball courts, dog parks, and miscellaneous areas. Lakeshore Park is budgeted for \$6,500. That might be a little high.

Mr. Haskett stated the reason I added those items is due to the shade unit at Lakeshore Park. The fabric on it needs to be replaced. It was vandalized recently, which I forgot to mention in the regular meeting earlier. That cost is included in this budget item as well as some work at the Ashley Park pool. That is the reason I did not reduce that amount from last year,

Mr. Walls asked is there a way to build infrastructure to keep people from getting on top of it or climbing up the pole?

Mr. Berube stated at Lakeshore Park, there is only one kid who does that.

Mr. Haskett stated if you provide his address to me, we can prevent that from happening again.

9. Repair and Maintenance—Hardscape Cleaning: *Nothing changed on this line item.*

Mr. Haskett stated this includes pressure washing various areas and still includes some outsourcing of pressure washing of the long white fence.

Mr. Berube stated we have a pressure washer. The difficulty in cleaning the long white fence seems to be a supply of water.

Mr. Haskett stated to some point. Over the past few years, we have added valves along that area, so there are more water sources than there used to be. It is possible that our staff might be able to handle it, but it will take them two weeks to complete it. I do not think it is worth the \$2,000 that we spend outsourcing that activity.

Mr. Berube stated unless we add another staff person. When you add up all the things that need to be done, at some point it makes sense to hire an additional staff member. Is \$5,000 sufficient for this work?

Mr. Haskett stated yes.

10. Miscellaneous—Contingency: *While initially discussed to be reduced to \$10,000, this line item will be the plug number to balance the overall budget.*

Mr. LeMenager stated this is always a plug number based upon the grand total and what we include in the other line items.

Mr. Walls stated this is also in addition to the other \$23,000 included in landscaping contingency.

Mr. Evans stated the line items that we review in great detail really help minimize the contingency. We try to foresee and address a lot of the things that could happen. I think we can reduce this significantly, down to \$10,000.

Mr. Walls stated that is more than we have spent over the last couple years.

11. Miscellaneous—Security Enhancements: *Nothing changed on this line item.*

Mr. Evans stated we discussed additional cameras from time to time. Are they included in this budget item?

Mr. Haskett stated I recommended we reduce it to \$2,500 since that is a comfortable number for next year.

Mr. Berube stated this is related to the Century Link telephone bills. We pay BrightHouse internet two monthly charges for, effectively, security enhancements. Where are those bills applied? How are they coded? Is that to this line item?

Mr. Haskett stated I think it is coded to communications.

Mr. Evans stated that makes sense to me since they are usually charged to telephone.

Mr. Berube stated it is just a matter of where the money is applied.

Mr. Evans stated as opposed to micromanaging or micro-breaking them out separately.

Mr. Berube stated we provided these security enhancements, and it would be nice to know what they cost.

Mr. Walls stated this appears to me to be a capital line item to purchase enhancements.

12. Capital Outlay—Other: *Nothing changed on this line item.*

Mr. Evans stated this item is budgeted at \$12,000.

Mr. Haskett stated the last capital outlay was for the shade structures at Lakeshore Park, which drove the actual number over the budget.

Mr. Evans stated these are “wish list” items, things that come up later when someone wants to plant more flowers or put in a swing or something else.

Mr. LeMenager stated we can look at reality. In 2010, we spent \$23,000. In 2011, we spent \$30,000. This year, we will spend \$30,000.

Mr. Berube stated according to the budget, in 2011, we only spent \$6,300.

Mr. Evans stated that is discretionary spending.

Mr. Walls stated this category could also be used if one of the ATVs breaks down and we have to purchase a new one. All of ours are new, but that is an example.

Mr. Evans stated this would be for items such as the pool canopy that Mr. Berube mentioned earlier.

Mr. Berube stated I am fine leaving this at \$12,000. Perhaps it needs to be higher; I do not know.

Mr. Evans stated I think it needs to be lower. We have been raising more line items than we have been reducing.

Mr. Berube stated we just decreased contingency by \$11,000.

Mr. LeMenager asked has anyone been running a total so far?

Mr. Moyer stated yes. On administrative line items, we have an extra \$9,300. Under the various field items, we added \$26,600 and deleted \$27,260. We have about \$10,000 extra on these items.

Mr. Berube stated if we leave this item alone, we still have some extra money. We could actually increase this item by \$10,000.

Mr. Evans stated no, we cannot. I agree with Mr. Walls that we need to look at every line item.

Mr. Walls stated I am fine with \$12,000.

Mr. Evans stated I will concede to leave this at \$12,000.

13. Capital Outlay—Recreation Improvements: *Nothing changed on this line item.*

14. Capital Outlay—Vehicles: *Nothing changed on this line item.*

F. Next Steps

Mr. Evans stated Mr. Moyer will have this budget revised with our comments, and it will be submitted for consideration at the August meeting.

Mr. Moyer stated the public hearing has been scheduled for August 30.

Mr. Berube asked have we settled the question about operation and maintenance assessments?

Mr. LeMenager stated if this is what we are going to do, then I think what we are saying is this will result in a decrease in operation and maintenance assessments.

Mr. Evans stated it is a decrease of about \$10,000 based on the changes we just made.

Mr. Walls stated it is a decrease on the assessments for next year, but the budget itself is not necessarily being reduced.

Mr. Moyer stated right now, we will lower the assessments by \$10,000, so they will be lower than they were last year.

Mr. Walls asked you will lower the assessments based on the changes we just made?

Mr. Moyer stated yes, to balance the budget.

Mr. Walls stated my assumption was that the additional money would go into reserves.

Mr. Moyer stated we need to have that direction.

Mr. LeMenager stated we need to have a place to put it. Basically, we got to this point because the Board wanted to include a specific number for miscellaneous contingency, whereas in the past, that is the number Ms. Khan always backed into to get the overall total that we were after.

Mr. Moyer stated that is correct.

Mr. Evans stated I saw a 1.2% increase.

Mr. LeMenager stated that is the wrong one.

Mr. Moyer stated the numbers were correct, but the summary in the agenda package showed 1.2%.

Mr. Walls stated my intent was to leave the total exactly as you have it and take the difference and put it into a contingency reserve.

Mr. Evans asked you mean staying at the current assessment level?

Mr. LeMenager stated those are wrong. This is the correct one.

Mr. Walls stated whatever was proposed coming into today is the assessment level we are discussing. It is the same as for fiscal year 2012.

Mr. Moyer stated that is correct.

Mr. LeMenager stated but in the budget, we have to put it somewhere.

Mr. Walls stated I thought we could take the difference that we just discussed and put it into contingency.

Mr. LeMenager stated you back into it to determine the contingency. I would also like to point out that we are making no change to our reserves. Right now, they took \$50,000 out of one reserve and put \$50,000 in another one. We are going from \$235,000 in designated reserves to \$235,000 in designated reserves.

Mr. Walls stated the unassigned fund balance will increase because we are carrying forward money from this year.

Mr. Moyer stated that is correct.

Mr. Berube stated every year, we fund our reserves at about \$50,000.

Mr. Evans stated we fund them out of our savings, based on the tight management of our expenditures. The excess is what we are carrying forward and putting into reserves.

Mr. LeMenager stated that is correct. What I am saying is, now we are looking at a lot less excess.

Mr. Walls stated we are projecting \$82,000 to carry forward from this year to next year, which is in addition.

Mr. Evans stated if we hold our budget at the same level, we reduced landscaping expenses and we added some things that we wanted to do. If we remain constant on the expenditures, it is reasonable to assume we will have \$70,000 to \$80,000 in carry forward surplus next year that you can allocate to reserves. It is my understanding that we will make the adjustments to these line items as we described. The intent is to hold to no increase in the overall operation and maintenance and debt service combined assessment.

Mr. Moyer stated that is correct.

Mr. Evans stated to get to that point, we will use this allocated budget. for Miscellaneous Contingency, we will back into that number to maintain a balanced budget.

Mr. Moyer stated it was about \$22,000 and you reduced it to \$10,000. Now it will be about \$21,000.

Mr. Walls stated at the end of the day, the overall assessment for fiscal year 2013 remains the same as it was for fiscal year 2012.

Mr. Moyer stated that is correct.

Ms. Kassel stated I need to leave for another appointment.

Mr. LeMenager stated you indicated you were not sure about the assessment level earlier. Are you happy with the discussion today and where the budget ended up?

Ms. Kassel stated yes.

THIRD ORDER OF BUSINESS

Resident Comments and Questions

A Resident stated as I understand it, you are going to take a \$10,000 reduction in the budget and put it into a contingency reserve.

Mr. Evans stated we reviewed every line item in detail, for the ones that we could define, knowing that there will always be some things that we cannot foresee. Our goal is to make sure we have an adequate account for the unknown without being too high or too low. After reviewing all the individual line items that we feel we can reasonably and accurately project, based on historical expenditures or fixed contract, we are so tight to the budget that we had last year and what worked. We were within \$20,000 on a budget of \$1.5 million.

The Resident asked so you are putting in a calculated surplus into contingency reserves?

Mr. LeMenager stated that is the way this District has done it from the beginning.

Mr. Evans stated we had about \$20,000 in that line item when we started this discussion. After our conclusion of the budget discussion, we discovered we are right back at almost the same level of \$20,000.

The Resident asked do you perform an analysis on the contingency reserves periodically to make sure they are on track with expenses?

Mr. Evans stated yes, we do that every month.

The Resident asked does someone else perform that analysis?

Mr. Moyer stated the engineer did that for us a year ago, to provide what we need for reserves. That is what we funded based on the engineering report.

The Resident asked you do that periodically?

Mr. Moyer stated yes.

The Resident asked are we on track with our reserves and expenses?

Mr. Moyer stated yes.

Mr. Evans stated this District is probably one of the most financially sound Districts in the State.

Mr. Berube stated this is related to the question I asked at the end of our budget review. Every year, we put in a minimum amount into the reserve to make sure we are on track. If there is more money at the end of the fiscal year, then we add more to that reserve. If a hurricane blows through here tomorrow, we are in pretty good shape.

The Resident stated you said you are responsible for the alleys. Does that include Ashley Park?

Mr. Haskett stated yes.

Mr. LeMenager stated yes, the District owns the alleys.

The Resident stated we have some heavy construction going on in there, and the alleys may be suffering from that.

Mr. LeMenager stated if D.R. Horton damages the alleys, then we will send a bill to them.

FOURTH ORDER OF BUSINESS

Adjournment

The next meeting will be Thursday, August 30, 2012, at 6:00 p.m.

The workshop adjourned at 11:30 a.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman

Fourth Order of Business

4B

The Davey Tree Expert Company
Harmony Community Development District
Landscape Maintenance
Monthly Summary
August 2012

General Note

On behalf of all of us at Davey Commercial Grounds I want to thank the Board of Supervisors for the opportunity to provide landscape maintenance services to the Harmony community.

Below is a summary of activity since commencement of services on Monday August 6th. The format follows in outline form the specifications and scope of work section by section. This particular report covers a little over a week of service and will quickly expand with information as time moves forward.

Our first week addressed three (3) primary areas:

1. Operational set-up:
2. Crew dynamic:
3. Site logistics:

With some un-anticipated delays in meeting deadlines for delivery of mowing equipment we were able to complete the majority of mowing inclusive of the 192 frontage with crews extended into Saturday activity. Some areas did not get completed and these are noted below. As we move into this second week we have a better feel for the property and all areas will be completed.

Detail work through Lakeshore for preparation in advance of the National Night Out event on Tuesday, August 7th, extended into entrance areas, park areas, Town Square, and into 192 frontage through the first week to address un-attended or neglected items. Work continues in these areas and extends further into the community. Weed control in hardscape and bedding areas is being addressed as well throughout the community with some areas heavier than others.

We have provided a copy of the MSDS book to Mr. Todd Haskett and Emergency and Hazard Communication Plans will be in place this week along with a projected schedule of services and site plan.

It has been an exciting couple of weeks as we prepared for and initiate services for the Community and we look forward to the challenge and opportunities that lie ahead.

Should anyone have any questions or need further information please know I, and my staff, are always available and welcome your inquiries and comments.

- Garth Rinard, Branch Manager

4.1 Turf

4.1.1 Mowing - Mowing was completed throughout common and park locations on a weekly basis. Mowing cycles completed:

Week ending 08/11/12

Week ending 08/18/12

Mowing is scheduled for the balance of August as follows:

Week ending 08/25/12

Week ending 09/01/12

4.1.2 Edging (same as above, see 4.1.1)

4.1.3 Trimming (same as above, see 4.1.1)

4.1.4 Disease Control

4.1.5 Fertilization

4.1.6 Pest Control

a. Spot treat for cinch bug activity in the following locations:

a. East/ South entrance and Harmony Square Dr.

b. Town Square

c. Cat Brier

d. Lakeshore roundabout

e. Lakeshore Park

f. Beargrass/ Schoolhouse Alley

g. Harmony Square (Pool location)

h. Five Oaks Dr. (between Clubhouse and Cat Brier roundabout)

4.1.7 pH Adjustment

4.1.8 Other:

a. Lakeshore Park – mowing completed in preparation for National Night Out event held on 8/7/12.

b. The following locations were not completed in the first week but were completed first of this week and folded into normal weekly cycle:

- Gopher Apple; Indian Grass Alley; Indian Grass

- Sedges Ln; Buttonbush Alley

- Blazing Star; Sundrop Alley; Goldflower

4.2 Sports Turf

4.2.1 Mowing

- a. Mowing completed 08/14/12. Next scheduled mowing is 8/17/12 and remain on a twice-weekly mow cycle through the balance of the month. Mowing is being completed with a rotary style mower, mulching deck, at a 1" cutting height.

4.2.2 Insecticides

4.2.3 Herbicides

- a. Turf weed application completed 8/14/12. Follow-up application week ending 9/8/12

4.2.4 Fungicide

4.2.5 Fertilization

4.2.6 pH Adjustment

4.3 Shrub/Ground Cover Care

4.3.1 Annuals

- a. General policing and weeding of bedding areas

4.3.2 Pruning

- a. Trimming and pruning through the following locations:
 - a. East/ South entrance
 - b. Town Square
 - c. Five Oaks Dr. (between pool and Cat Brier roundabout)
 - d. Five Oaks Dr. pool
 - e. Cat Brier
 - f. Cat Brier Dog Park
 - g. Lakeshore Park (National Night Out prep; 8/7/12)
 - h. Interior/ Neighborhood park locations

4.3.3 Weeding

- a. Weed and herbicide applications completed through the following locations:
 - a. Please refer to section 4.3.2 above; weeding and herbicide applications completed in conjunction with trim/ prune/ detail work.
 - b. The following locations received attention for weed and herbicide applications:
 - i. North/ West entrance
 - ii. 192 median and fence lines

- 4.3.4 Fertilization
- 4.3.5 Pest and Disease Control
- 4.3.6 Mulching
- 4.3.7 pH Adjustment

4.4 Tree Care

- 4.4.1 Pruning
 - a. Broken branch removals – two trees along Five Oaks Drive.
- 4.4.2 Tree Basins
- 4.4.3 Fertilizer
- 4.4.4 Pest Control
- 4.4.5 Mulch
- 4.4.6 pH Adjustment

4.5 Irrigation

- 4.5.1 General Requirements
- 4.5.2 Monitoring
- 4.5.3 Valve/ Valve Boxes

4.6 Litter Removal

- 4.6.1 Landscaped Area
 - a. Mowing, detail, weed crew and Supervisor responsibility on a daily basis.
- 4.6.2 Sidewalks
 - a. Mowing, detail, weed crew, and Supervisor responsibility on a daily basis.
- 4.6.3 Trash Receptacles
 - a. Cleaning and pest control scheduled bi-weekly with initial service beginning the week of 8/13/12.
- 4.6.4 Streets
 - a. Mowing, detail, weed crew, and Supervisor responsibility on a daily basis

4.7 District/ District Manager Awareness

5.0 Unscheduled Maintenance and Repairs

5.1.1 General

- a. None noted at this time.

5.2.1 Damaged Facilities

5.2.2 Damaged Irrigation System Repairs

5.3.1 Emergency Repairs

5.4.1 Unscheduled Maintenance

6.0 Other – Proposals, Work Orders

6.1 Proposals

4Ci

THE TOWN OF HARMONY

District Dock & Maintenance Activities Report

July 13, 2012 – August 14, 2012

Boat Maintenance

- All boats were cleaned as needed.
- Solar boat batteries need to be replaced at a cost of \$1435.00. Request that the board consider liquidating the Solar boat.

Buck Lake Activities

- First Friday Fishing (August 3rd), 8 + in attendance.
- Boat Orientation Class – Held Saturday 4th, 8 attended.
- Summer Fishing Activity – Each Thursday during the month of June at 8:30 am with low attendance this month.

Facility / Park Maintenance Activities

- Routine cleaning activities – Including restrooms, trash and doggie potty removal.
- Inspected facilities for cleanliness and/or damage after each scheduled event.
- Water Feature malfunction July 5th. Flooded the mechanical vault. Replaced sump pump on the 9th of July. Placed order for replacement feature motor and filter motor. Issue caused by faulty shaft seal, compounded by failure of the sump pump. Computer and Variable Speed Drive replacements ordered. Expect completion of repairs by August 24th.
- Pressure washing continued along Cat Brier Trail.
- Sidewalk grinding along Cat Brier Trail, Pond Pine and Bayflower.
- LSP Shade Pavilion – repaired 2'x3' hole caused by vandals. Vinyl cover will require replacement soon. Currently seeking estimates for its replacement.
- LSP – Landscape material installed around playground area, which included Sycamore and Maple trees, Viburnum hedge infill and accent plants at the entrance.

Irrigation Maintenance

- Continue to replace broken irrigation heads and routine maintenance activities.
- Insight inspections and mapping program completed August 9th.
- Repaired mainline break along Cat Brier Trail across from Buttonbush Loop.
- Replaced 3 solenoid valves on Clock 7 along Five Oaks Dr. (possible lightening damage).
- Replaced rain gauge at Swim Club CCU.
- Replaced moisture packets within the weather station control panel.

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Fifth Order of Business

From: Mark LeMenager <mark_lemenager@yahoo.com>
Sent: August 17, 2012 2:40:51 PM EDT
To: Todd Haskett <thaskett@harmonyfl.com>
Cc: Gary Moyer <gary@moyer-group.com>, Brenda Burgess <brcnda@moyer-group.com>
Subject: Park Square Damage to CDD property

Hi Todd,

I noticed that the foliage behind Park Square's new model has been hacked away and bushes killed. I've checked the plat maps I have access to and that is CDD property they have destroyed. Were they given permission to do this? If yes, under what authority? If no, we should demand they fix their mess immediately as it looks terrible.

Best Regards,
Mark LeMenager
Harmony CDD, Vice Chair

From: Greg Golgowski <Greg@harmonyfl.com>
Sent: Friday, August 17, 2012 3:19 PM
To: "mark_lemenager@yahoo.com" <mark_lemenager@yahoo.com>
Cc: Todd Haskett <thaskett@harmonyfl.com>; "Gary Moyer (gary@moyer-group.com)" <gary@moyer-group.com>; "brenda@moyer-group.com" <brenda@moyer-group.com>; Shad Tome <stome@harmonyfl.com>
Subject: FW: Park Square Damage to CDD property

Mark:

Todd forwarded your note to me for a reply.

Park Square requested that the vegetation behind their model be thinned to promote its visibility from Five Oaks. We did it for them to control the extent of the work and to assure that it was done in accordance with standard conservation practices. All that was removed were grapevines and briars, of which there were plenty and were actually stunting the growth of the more desirable trees and other vegetation there. And even then the roots of everything cut were left in place so that it should fill back in again before long. In fact, it's already starting to put out new growth.

But I agree that lots of brown leaves don't look good right now. The good part is that it will green up again and should be a healthier natural system as a result.

Greg

From: Mark LeMenager [mailto:mark_lemenager@yahoo.com]
Sent: Friday, August 17, 2012 3:58 PM
To: Gary Moyer
Cc: Brenda Burgess; Greg Golgowski; Todd Haskett; Shad Tome
Subject: RE: Park Square Damage to CDD property

Hi Gary,

Would you please put Greg's email on the agenda for the next CDD Board meeting. I believe that Park Square's request should have been put to the Board for a policy making decision.

Not looking to micro manage, but the Five Oaks entrance has become the main entrance to town and personally I thought the way it looked was very nice. I would like to hear the opinion of the other 4 Board members on this matter.

Best Regards,
Mark LeMenager
Harmony CDD, Vice Chair

Sixth Order of Business

6A

HARMONY

Community Development District

Annual Operating and Debt Service Budget **Fiscal Year 2013**

Version 4 - Modified Tentative Budget:
(printed 8/20/2012)

Prepared by:



HARMONY

Community Development District

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Harmony
Community Development District

Operating Budget
Fiscal Year 2013

Summary of Revenues, Expenditures and Changes in Fund Balances
 Fiscal Year 2013 Modified Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU JULY- 2012	PROJECTED AUG - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 5,208	\$ 1,500	\$ 2,691	\$ 578	\$ 3,469	\$ 2,500
Judgements and Fines	411	-	-	-	-	-
Interest - Tax Collector	130	-	75	-	75	-
Special Assmnts- Tax Collector	622,750	622,472	622,472	0	622,472	602,371
Special Assmnts- CDD Collected	914,364	913,955	761,629	152,328	913,955	884,442
Special Assmnts- Discounts	(10,697)	(24,900)	(11,852)	-	(11,952)	(24,095)
Other Miscellaneous Revenues	-	-	1,501	-	1,501	-
TOTAL REVENUES	1,532,166	1,513,027	1,376,616	152,904	1,529,520	1,465,218

EXPENDITURES

Administrative

P/R-Board of Supervisors	11,800	9,600	7,800	2,400	10,200	11,200
FICA Taxes	903	734	597	184	781	657
ProfServ-Arbitrage Rebate	3,000	1,200	1,200	-	1,200	1,200
ProfServ-Dissemination Agent	500	500	500	-	500	500
ProfServ-Engineering	7,637	15,000	4,742	948	5,690	5,000
ProfServ-Legal Services	27,231	23,000	29,806	26,606	58,412	25,000
ProfServ-Mgmt Consulting Serv	54,091	55,984	41,453	6,731	48,184	55,984
ProfServ-Property Appraiser	-	779	-	779	779	779
ProfServ-Special Assessment	11,422	11,822	11,822	-	11,822	11,822
ProfServ-Trustee	10,746	11,000	9,186	1,614	10,800	10,800
Auditing Services	8,000	6,000	7,500	-	7,500	8,000
Communication - Telephone	317	380	150	30	180	380
Postage and Freight	647	1,200	892	178	1,070	1,200
Insurance - General Liability	21,575	23,733	23,262	-	23,262	26,751
Printing and Binding	4,912	5,000	5,553	528	6,081	5,000
Legal Advertising	1,017	1,000	278	58	334	500
Misc-Assessmnt Collection Cost	7,447	12,449	12,210	0	12,210	12,047
Misc-Contingency	178	2,800	192	92	284	500
Office Supplies	1,055	1,500	592	118	710	1,000
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	172,855	185,856	157,910	42,264	200,174	178,696

Field

Payroll-Salaries	60	-	-	-	-	-
ProfServ-Field Management	79,562	109,839	90,896	19,494	110,390	119,113
Total Field	79,622	109,839	90,896	19,494	110,390	119,113

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2013 Modified Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU JULY- 2012	PROJECTED AUG - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
Landscape						
Utility - Refuse Removal	5,096	-	-	-	-	
Contracts - Grounds	31,449	32,994	19,557	3,911	23,468	29,994
R&M-Irrigation	66,425	15,767	28,410	4,182	32,592	20,000
Contracts - Tree Canopy Trimming	15,000	15,000	13,000	-	13,000	15,000
Contracts - Trees and Trimming	21,511	21,115	15,929	3,186	19,115	19,115
Contracts - Turf Care	278,001	283,001	231,668	46,334	276,002	248,001
Contracts - Shrub Care	107,540	110,539	89,816	17,923	107,539	107,540
Miscellaneous Services	14,737	10,000	17,769	554	18,323	23,000
Total Landscape	539,759	488,416	415,949	76,090	492,039	462,650
Utilities						
Electricity - General	29,112	35,000	20,897	4,179	25,076	30,000
Electricity - Streetlighting	377,280	385,000	315,048	63,038	378,086	389,000
Utility - Water & Sewer	107,261	105,000	72,616	15,523	88,139	105,000
Total Utilities	513,653	525,000	408,561	82,741	491,302	524,000
Operation & Maintenance						
Contracts-Lake and Wetland	20,565	35,000	23,215	5,060	28,275	25,000
Communication - Telephone	3,557	8,000	3,668	734	4,402	6,000
R&M-Common Area	20,048	18,806	16,157	36	16,193	18,800
Utility - Refuse Removal	-	-	-	-	-	2,000
R&M-Equipment	15,719	15,000	11,124	2,225	13,349	15,000
R&M-Pools	33,543	70,000	51,363	273	51,636	57,000
R&M-Roads & Alleyways	-	1,000	4,041	808	4,849	5,000
R&M-Sidewalks	-	6,000	-	1,500	1,500	4,000
R&M-Parks & Facilities	1,300	8,500	1,977	395	2,372	8,500
R&M-Hardscape Cleaning	2,836	6,000	2,836	567	3,403	5,000
Misc-Contingency	12,243	15,810	5,828	1,000	6,828	19,960
Misc-Security Enhancements	8,823	5,000	804	-	804	2,500
Cap Outlay - Other	6,393	15,000	30,263	500	30,763	12,000
Cap Outlay - Recreation Impr	15,825	-	-	-	-	-
Cap Outlay - Vehicles	7,594	-	-	-	-	-
Total Operation & Maintenance	148,446	203,916	151,376	13,097	164,473	180,760
TOTAL EXPENDITURES	1,454,335	1,513,027	1,224,692	233,686	1,458,378	1,465,218
Excess (deficiency) of revenues Over (under) expenditures	77,831	-	151,924	(80,782)	71,142	(0)
Net change in fund balance	77,831	-	151,924	(80,782)	71,142	(0)
FUND BALANCE, BEGINNING	576,637	654,468	654,468	-	654,468	725,610
FUND BALANCE, ENDING	\$ 654,468	\$ 654,468	\$ 806,392	\$ (80,782)	\$ 725,610	\$ 725,609

**Budget Narrative
Fiscal Year 2013****REVENUES****Interest-Investments**

The District earns interest on its operating accounts.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year. The collection will be provided by the Tax Collector pursuant to Selection 197.3632, Florida Statutes, which is the Uniform Collection Methodology.

Special Assessment – CDD Collected (Maintenance)

The District will collect a Non-Ad Valorem assessment on all the un-platted parcels within the District in support of the overall fiscal year budget.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments only when collected by the Tax Collector. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES**Administrative****P/R-Board of Supervisors**

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon four supervisors attending 12 meetings and 2 workshops.

FICA Taxes

Payroll taxes on Board of Supervisors compensation. The budgeted amount for the fiscal year is calculated at 7.65% of the total Board of Supervisor's payroll expenditures.

Professional Services – Arbitrage Rebate

The District will contract with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on signed engagement letters for each Bond series at \$600 each.

Professional Services – Dissemination Agent

The District is required by the Securities and Exchange Commission to comply with rule 15c2-12(b)-(5), which relates additional reporting requirements for unrelated bond issues and is performed by Digital Assurance Company. The budgeted amount for the fiscal year is based on standard fees charged for this service.

Professional Services-Engineering

The District's engineer, Boyd Civil Engineering, Inc., will be providing general engineering services to the District, i.e., attendance and preparation for monthly Board meetings, review of invoices, preparation of requisitions., etc.

Professional Services-Legal Services

The District's general counsel, Young van Assenderp, P.A., retained by the District Board, is responsible for attending and preparing for Board meetings and rendering advice, counsel, recommendations, and representation as determined appropriate or as directed by the Board directly or as relayed by the manager.

Budget Narrative
Fiscal Year 2013**EXPENDITURES****Administrative** (continued)**Professional Services-Management Consulting Services**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Management Services, Inc. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement. No increase is expected for FY2013. As part of an agreement on February 2012 to reimburse the District the FY2006 Outstanding O&M Assessments, the monthly invoice will show a reduction of \$1,300 through March 2013. All related legal fees will be reimbursed in 2013.

Contract -Severn Trent Management Services		\$55,984
Reimbursement of FY2006 Assessments	<i>Approx. \$1,300 @ 5 months</i>	(6,072)
Reimbursement of Legal Fees	<i>Approx. \$1,410 @ 7 months</i>	(9,863)
		\$40,049

Professional Services - Special Assessment (Advisor)

The District will be billed annually for calculating and levying the annual operating and maintenance, and debt service assessments, as provided by Severn Trent Management Services.

Professional Services -Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. The FY2013 budget for property appraiser costs was based on a unit price per parcel. In prior years, this cost was included in Misc.-Assessment Collection Cost.

Professional Services- Trustee

The District pays US Bank an annual fee for trustee services on the Series 2001 and Series 2004 Bonds. The budgeted amount for the fiscal year is \$4,500 for each series plus any out-of-pocket expenses.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from an existing engagement letter with Grau & Associates.

Communication-Telephone

Telephone and fax transmission expenditures.

Postage and Freight

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Preferred Governmental Insurance Trust (PGIT). They specialize in providing insurance coverage to governmental agencies. The budgeted amount allows for a projected increase in the premium.

Printing and Binding

Copies used in the preparation of agenda packages, required mailings, and other special projects.

**Budget Narrative
Fiscal Year 2013****EXPENDITURES****Administrative (continued)****Legal Advertising**

The District is required to advertise various notices for monthly Board meetings and other public hearings in the Orlando Sentinel.

Miscellaneous-Assessment Collection Costs

The District reimburses the Osceola Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The FY2013 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Miscellaneous -Contingency

This includes monthly bank charges and any other miscellaneous expenses that may be incurred during the year.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

Field**Professional Services – Field Management****\$119,113**

Includes payroll and overhead costs for full-time field manager/dockmaster and assistant field manager and maintenance employee, as provided by Severn Trent Management Services. Primary responsibilities are related to docks and boats, with supplemental activities providing on-site field management and maintenance services. As of 2012, Irrigation duties were added to include; regular inspections, adjustments to controller and irrigation heads, minor system repairs, and purchase of irrigation supplies. A slight increase is anticipated for FY2013.

Contract (Severn Trent Management Services)	
\$9,726 per month - Includes 3.5% annual increase	\$116,713
Overtime – approx \$200 @ 12 months	\$2,400

Landscape**Contracts-Ground****\$29,994**

Scheduled maintenance consists of mowing, edging, blowing, fertilizing and applying pest and disease control chemicals to ground cover, as well as planting and replacing various annual and seasonal flowers within the District. Unscheduled maintenance consists of repairs and replacement to any damaged areas.

New Contract (Davey Tree)	\$20,394
New Contract (Davey Tree)	\$9,600
Unscheduled maintenance – Added to Misc Services	\$3,000

Budget Narrative
Fiscal Year 2013**EXPENDITURES****Landscape** (continued)**R&M-Irrigation****\$20,000**

Purchase of irrigation supplies. Unscheduled maintenance consists of major repairs and replacement of system components.

System Management (monitoring of the system)	\$3,000
Unscheduled maintenance/repair of Weather Station	\$1,400
Unscheduled maintenance/repair of lines	\$3,000
Irrigation supplies	\$12,600

Contracts –Trees Canopy Trimming**\$15,000**

Scheduled maintenance consists of canopy trimming for trees above the 10-foot height level, and consulting with a certified arborist.

Contracts –Trees and Trimming**\$19,115**

Scheduled maintenance consists of pruning, maintaining tree basins and fertilizing trees below the 10-foot height level.

New Contract (Davey Tree)	\$19,115
Unscheduled maintenance – Added to Misc Services	\$2,000

Contracts -Turf Care**\$248,001**

Scheduled maintenance consists of mowing, edging, blowing, fertilizing, and applying pest and disease control chemicals to turf within Hamony CDD. Unscheduled maintenance consists of replacement to any damaged areas. Decreased line item by \$30k to represent savings of new contract with Davey Tree.

New Contract (Davey Tree)-	\$248,001
Unscheduled maintenance – Added to Misc Services	\$5,000

R&M-Shrub Care**\$107,540**

Scheduled maintenance consists of pruning, mulching, fertilizing, applying pest and disease control chemicals, and providing weed control and debris removal to Shrubs within the District. Unscheduled maintenance consists of repairs and replacement to any damaged areas.

New Contract (Davey Tree)	\$107,540
Unscheduled maintenance – Added to Misc Services	\$3,000

Miscellaneous Services**\$23,000**

Unscheduled or one-time landscape maintenance expenses for other areas within the District that are not listed in any other budget category.

Utility**Electricity - General****\$30,000**

Electricity for accounts with Orlando Utilities Commissions for the swim club, parks, and irrigation. Fees are based on historical costs for metered use.

Electricity - Streetlighting**\$389,000**

Contract to lease light-poles and fixtures for all street lighting within the District, as per agreement with the Orlando Utilities Commission. Fees are based on historical costs.

**Budget Narrative
Fiscal Year 2013****EXPENDITURES****Utility (continued)****Utility - Water & Sewer****\$105,000**

The District currently has utility accounts with Toho Water Authority (a division of KUA). Usage consists of water, sewer and reclaimed water services.

Operation & Maintenance**Contracts-Lake and Wetland****\$25,000**

Scheduled maintenance consists of inspections and treatment of nuisance aquatic species. Unscheduled maintenance consists of aquatic plantings and repair of any damaged areas.

Existing Contract (Bio-Tech Consulting)	\$16,000
Unscheduled maintenance	\$9,000

Communication – Telephone**\$6,000**

Telephone expenses for the dockmaster and assistant and the irrigation line for the computerized Maxicom irrigation system.

R&M-Common Area**\$18,800**

- Benches: Unscheduled maintenance consists of replacing damaged benches and purchasing benches for added areas
- Miscellaneous cleaning supplies, light bulbs, and other supplies used throughout the District.
- District facility's expenditures relating to new assistant Field Manager
- Other miscellaneous common area expense not provided in other line items. It is anticipated some items originally installed in 2003 will need to be replaced in FY 2013, including trash cans, doggie pots and fountain

Utility - Refuse Removal**\$2,000**

Scheduled maintenance consists of trash disposal. Unscheduled maintenance consists of replacement or repair of dumpster.

R&M-Equipment**\$15,000**

Supplies, maintenance and equipment needed for the boats.

Boat Operation, supplies and maintenance	\$7,000
Repairs and system upgrade	\$6,000
Miscellaneous	\$2,000

R&M-Pools**\$57,000**

This includes monthly pool service and any repairs and maintenance for the Swim Club and Ashley Park pools that may be incurred during the year by the District, including repair and replacement of pool furniture, shades, safety equipment, etc. Supplies for the pool and fountains such as chemicals and chlorine are provided by Spies Pool LLC. Various pool licenses and permits required for the pools are based on historical expenses.

Contract (Robert's Pool Service)	\$14,400
Repair/replace pool furniture	\$20,000
Supplies	\$9,840
Licenses	\$1,050
Unscheduled Maintenance	\$11,710

R&M Roads and Alleyways**\$5,000**

Unscheduled maintenance of alleyways.

Budget Narrative
Fiscal Year 2013

EXPENDITURES

Operation & Maintenance (continued)

R&M Sidewalks **\$4,000**
Unscheduled maintenance consists of grinding uneven areas and replacement of concrete sidewalk. Pressure washing areas within the District as needed.

R&M Parks and Facilities **\$8,500**
Maintenance or repairs to the basketball courts and athletic fields, including sod replacement, cleaning of basketball courts, dog parks and all miscellaneous park areas.

Lakeshore Park	\$6,500
Dog Parks	\$1,000
Miscellaneous Park Areas	\$1,000

R&M-Hardscape Maintenance **\$5,000**
Scheduled maintenance consists of pressure washing PVC fencing, bridges, and pavilions, restrooms and other Hardscape. Unscheduled maintenance consists of repairs and replacement of damaged areas, including columns. Done in house as of FY2012.

Misc-Contingency **\$19,960**
The FY2013 contingency represents the potential excess of unscheduled maintenance expenses not included in budget categories or not anticipated in specific line items.

Misc-Security Enhancement **\$2,500**
Represents costs to update and improve security within the District. (Gates, camera's etc.) Unscheduled maintenance; includes repair or replacement of damaged cameras and any required upgrades.

Capital – Outlay **\$12,000**
The District will replace existing equipment or purchase new equipment for District facilities

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2013	\$ 725,610
Net Change in Fund Balance - Fiscal Year 2013	(0)
Reserves - Fiscal Year 2013 Additions	-
Total Funds Available (Estimated) - 9/30/2013	725,609

ALLOCATION OF AVAILABLE FUNDS

<i>Nonspendable Fund Balance</i>	
Prepaid Items	1,281
<i>Assigned Fund Balance</i>	
Operating Reserve - First Quarter Operating Capital	366,305 (1)
Reserves - Insurance	50,000 (2)
Reserves - Renewal & Replacement	185,000 (3)
Subtotal	<u>601,305</u>
Total Allocation of Available Funds	602,586

Total Unassigned (undesignated) Cash	\$ <u>123,024</u>
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Notes

- (1) Represents approximately 3 months of operating expenditures
- (2) Represents deductibles for Liability and Property insurance
- (3) Represents annual amount of approximate 10 year plan (until 2020) for renewal and replacement

Harmony

Community Development District

Debt Service Budgets

Fiscal Year 2013

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2013 Modified Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU JULY- 2012	PROJECTED AUG - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 1,929	\$ 800	\$ 710	\$ 142	\$ 852	\$ 800
Special Assmnts- Tax Collector	1,036,956	1,035,285	1,031,779	-	1,031,779	1,050,511
Special Assmnts- Prepayment	47,289	-	16,888	-	16,668	-
Special Assmnts- CDD Collected	432,426	432,195	614,176	-	614,176	439,182
Special Assmnts- Delinquent	1,072	-	-	-	-	-
Special Assmnts- Discounts	(17,811)	(41,411)	(19,810)	-	(19,810)	(42,020)
TOTAL REVENUES	1,501,861	1,426,868	1,643,523	142	1,643,665	1,448,472
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	12,399	20,706	20,239	-	20,239	21,010
Total Administrative	12,399	20,706	20,239	-	20,239	21,010
<i>Debt Service</i>						
Principal Debt Retirement	305,000	325,000	325,000	-	325,000	350,000
Principal Prepayments	30,000	-	30,000	-	30,000	-
Interest Expense	1,122,663	1,098,375	1,097,288	-	1,097,288	1,072,638
Total Debt Service	1,457,663	1,423,375	1,452,288	-	1,452,288	1,422,638
TOTAL EXPENDITURES	1,470,062	1,444,081	1,472,527	-	1,472,527	1,443,648
Excess (deficiency) of revenues Over (under) expenditures	31,799	(17,213)	170,996	142	171,138	4,825
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(17,213)	-	-	-	4,825
TOTAL OTHER SOURCES (USES)	-	(17,213)	-	-	-	4,825
Net change in fund balance	31,799	(17,213)	170,996	142	171,138	4,825
FUND BALANCE, BEGINNING	1,735,818	1,767,617	1,767,617	-	1,767,617	1,938,755
FUND BALANCE, ENDING	\$ 1,767,617	\$ 1,750,404	\$ 1,938,613	\$ 142	\$ 1,938,755	\$ 1,943,580

AMORTIZATION SCHEDULE

Period Ending	Principal	Coupon Rate	Interest	Debt Service	Annual Debt Service
11/1/2012			\$536,318.75	\$536,318.75	
5/1/2013	\$350,000.00	7.250%	\$536,318.75	\$886,318.75	\$1,422,637.50
11/1/2013			\$523,631.25	\$523,631.25	
5/1/2014	\$375,000.00	7.250%	\$523,631.25	\$898,631.25	\$1,422,262.50
11/1/2014			\$510,037.50	\$510,037.50	
5/1/2015	\$400,000.00	7.250%	\$510,037.50	\$910,037.50	\$1,420,075.00
11/1/2015			\$495,537.50	\$495,537.50	
5/1/2016	\$430,000.00	7.250%	\$495,537.50	\$925,537.50	\$1,421,075.00
11/1/2016			\$479,950.00	\$479,950.00	
5/1/2017	\$465,000.00	7.250%	\$479,950.00	\$944,950.00	\$1,424,900.00
11/1/2017			\$463,093.75	\$463,093.75	
5/1/2018	\$495,000.00	7.250%	\$463,093.75	\$958,093.75	\$1,421,187.50
11/1/2018			\$445,150.00	\$445,150.00	
5/1/2019	\$535,000.00	7.250%	\$445,150.00	\$980,150.00	\$1,425,300.00
11/1/2019			\$425,756.25	\$425,756.25	
5/1/2020	\$575,000.00	7.250%	\$425,756.25	\$1,000,756.25	\$1,426,512.50
11/1/2020			\$404,912.50	\$404,912.50	
5/1/2021	\$615,000.00	7.250%	\$404,912.50	\$1,019,912.50	\$1,424,825.00
11/1/2021			\$382,618.75	\$382,618.75	
5/1/2022	\$655,000.00	7.250%	\$382,618.75	\$1,037,618.75	\$1,420,237.50
11/1/2022			\$358,875.00	\$358,875.00	
5/1/2023	\$705,000.00	7.250%	\$358,875.00	\$1,063,875.00	\$1,422,750.00
11/1/2023			\$333,318.75	\$333,318.75	
5/1/2024	\$760,000.00	7.250%	\$333,318.75	\$1,093,318.75	\$1,426,637.50
11/1/2024			\$305,768.75	\$305,768.75	
5/1/2025	\$815,000.00	7.250%	\$305,768.75	\$1,120,768.75	\$1,426,537.50
11/1/2025			\$276,225.00	\$276,225.00	
5/1/2026	\$875,000.00	7.250%	\$276,225.00	\$1,151,225.00	\$1,427,450.00
11/1/2026			\$244,506.25	\$244,506.25	
5/1/2027	\$940,000.00	7.250%	\$244,506.25	\$1,184,506.25	\$1,429,012.50
11/1/2027			\$210,431.25	\$210,431.25	
5/1/2028	\$1,005,000.00	7.250%	\$210,431.25	\$1,215,431.25	\$1,425,862.50
11/1/2028			\$174,000.00	\$174,000.00	
5/1/2029	\$1,080,000.00	7.250%	\$174,000.00	\$1,254,000.00	\$1,428,000.00
11/1/2029			\$134,850.00	\$134,850.00	
5/1/2030	\$1,155,000.00	7.250%	\$134,850.00	\$1,289,850.00	\$1,424,700.00
11/1/2030			\$92,981.25	\$92,981.25	
5/1/2031	\$1,235,000.00	7.250%	\$92,981.25	\$1,327,981.25	\$1,420,962.50
11/1/2031			\$48,212.50	\$48,212.50	
5/1/2032	\$1,330,000.00	7.250%	\$48,212.50	\$1,378,212.50	\$1,426,425.00
Total	\$14,795,000.00		\$13,156,031.25	\$27,951,031.25	\$28,487,350.00

Summary of Revenues, Expenditures and Changes in Fund Balances
 Fiscal Year 2013 Modified Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU JULY- 2012	PROJECTED AUG - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 1,648	\$ 800	\$ 2,612	\$ 522	\$ 3,134	\$ 2,000
Special Assmnts- CDD Collected	1,198,145	1,197,400	892,061	505,339	1,197,400	1,219,938
TOTAL REVENUES	1,199,793	1,198,200	694,673	505,861	1,200,534	1,221,938
EXPENDITURES						
<i>Debt Service</i>						
Principal Debt Retirement	225,000	245,000	245,000	-	245,000	255,000
Interest Expense	1,000,688	985,500	985,500	-	985,500	968,963
Total Debt Service	1,225,688	1,230,500	1,230,500	-	1,230,500	1,223,963
TOTAL EXPENDITURES	1,225,688	1,230,500	1,230,500	-	1,230,500	1,223,963
Excess (deficiency) of revenues Over (under) expenditures	(25,895)	(32,300)	(535,827)	505,861	(29,966)	(2,025)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(32,300)	-	-	-	(2,025)
TOTAL OTHER SOURCES (USES)	-	(32,300)	-	-	-	(2,025)
Net change in fund balance	(25,895)	(32,300)	(535,827)	505,861	(29,966)	(2,025)
FUND BALANCE, BEGINNING	1,427,631	1,401,936	1,401,936	-	1,401,936	1,371,970
FUND BALANCE, ENDING	\$ 1,401,936	\$ 1,369,636	\$ 866,109	\$ 505,861	\$ 1,371,970	\$ 1,369,946

HARMONY

Community Development District

Series 2004 Debt Service Fund

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/1/2012	\$ 14,355,000	6.75%	\$ -	\$ 484,481.25	\$ 1,223,962.50
5/1/2013	\$ 14,355,000	6.75%	\$ 255,000.00	\$ 484,481.25	
11/1/2013	\$ 14,100,000	6.75%	\$ -	\$ 475,875.00	\$ 1,228,750.00
5/1/2014	\$ 14,100,000	6.75%	\$ 275,000.00	\$ 475,875.00	
11/1/2014	\$ 13,825,000	6.75%	\$ -	\$ 466,593.75	\$ 1,223,187.50
5/1/2015	\$ 13,825,000	6.75%	\$ 290,000.00	\$ 466,593.75	
11/1/2015	\$ 13,535,000	6.75%	\$ -	\$ 456,806.25	\$ 1,223,612.50
5/1/2016	\$ 13,535,000	6.75%	\$ 310,000.00	\$ 456,806.25	
11/1/2016	\$ 13,225,000	6.75%	\$ -	\$ 446,343.75	\$ 1,222,687.50
5/1/2017	\$ 13,225,000	6.75%	\$ 330,000.00	\$ 446,343.75	
11/1/2017	\$ 12,895,000	6.75%	\$ -	\$ 435,206.25	\$ 1,225,412.50
5/1/2018	\$ 12,895,000	6.75%	\$ 355,000.00	\$ 435,206.25	
11/1/2018	\$ 12,540,000	6.75%	\$ -	\$ 423,225.00	\$ 1,226,450.00
5/1/2019	\$ 12,540,000	6.75%	\$ 380,000.00	\$ 423,225.00	
11/1/2019	\$ 12,160,000	6.75%	\$ -	\$ 410,400.00	\$ 1,225,800.00
5/1/2020	\$ 12,160,000	6.75%	\$ 405,000.00	\$ 410,400.00	
11/1/2020	\$ 11,755,000	6.75%	\$ -	\$ 396,731.25	\$ 1,228,462.50
5/1/2021	\$ 11,755,000	6.75%	\$ 435,000.00	\$ 396,731.25	
11/1/2021	\$ 11,320,000	6.75%	\$ -	\$ 382,050.00	\$ 1,224,100.00
5/1/2022	\$ 11,320,000	6.75%	\$ 460,000.00	\$ 382,050.00	
11/1/2022	\$ 10,860,000	6.75%	\$ -	\$ 366,525.00	\$ 1,228,050.00
5/1/2023	\$ 10,860,000	6.75%	\$ 495,000.00	\$ 366,525.00	
11/1/2023	\$ 10,365,000	6.75%	\$ -	\$ 349,818.75	\$ 1,224,637.50
5/1/2024	\$ 10,365,000	6.75%	\$ 525,000.00	\$ 349,818.75	
11/1/2024	\$ 9,840,000	6.75%	\$ -	\$ 332,100.00	\$ 1,224,200.00
5/1/2025	\$ 9,840,000	6.75%	\$ 560,000.00	\$ 332,100.00	
11/1/2025	\$ 9,280,000	6.75%	\$ -	\$ 313,200.00	\$ 1,221,400.00
5/1/2026	\$ 9,280,000	6.75%	\$ 595,000.00	\$ 313,200.00	
11/1/2026	\$ 8,685,000	6.75%	\$ -	\$ 293,118.75	\$ 1,221,237.50
5/1/2027	\$ 8,685,000	6.75%	\$ 635,000.00	\$ 293,118.75	
11/1/2027	\$ 8,050,000	6.75%	\$ -	\$ 271,687.50	\$ 1,223,375.00
5/1/2028	\$ 8,050,000	6.75%	\$ 680,000.00	\$ 271,687.50	
11/1/2028	\$ 7,370,000	6.75%	\$ -	\$ 248,737.50	\$ 1,227,475.00
5/1/2029	\$ 7,370,000	6.75%	\$ 730,000.00	\$ 248,737.50	
11/1/2029	\$ 6,640,000	6.75%	\$ -	\$ 224,100.00	\$ 1,223,200.00
5/1/2030	\$ 6,640,000	6.75%	\$ 775,000.00	\$ 224,100.00	
11/1/2030	\$ 5,865,000	6.75%	\$ -	\$ 197,943.75	\$ 1,220,887.50
5/1/2031	\$ 5,865,000	6.75%	\$ 825,000.00	\$ 197,943.75	
11/1/2031	\$ 5,040,000	6.75%	\$ -	\$ 170,100.00	\$ 1,220,200.00
5/1/2032	\$ 5,040,000	6.75%	\$ 880,000.00	\$ 170,100.00	
11/1/2032	\$ 4,160,000	6.75%	\$ -	\$ 140,400.00	\$ 1,220,800.00
5/1/2033	\$ 4,160,000	6.75%	\$ 940,000.00	\$ 140,400.00	
11/1/2033	\$ 3,220,000	6.75%	\$ -	\$ 108,675.00	\$ 1,217,350.00
5/1/2034	\$ 3,220,000	6.75%	\$ 1,000,000.00	\$ 108,675.00	
11/1/2034	\$ 2,220,000	6.75%	\$ -	\$ 74,925.00	\$ 1,219,850.00
5/1/2035	\$ 2,220,000	6.75%	\$ 1,070,000.00	\$ 74,925.00	
11/1/2035	\$ 1,150,000	6.75%	\$ -	\$ 38,812.50	\$ 1,227,625.00
5/1/2036	\$ 1,150,000	6.75%	\$ 1,150,000.00	\$ 38,812.50	
			\$ 14,355,000.00	\$ 22,178,028.75	\$ 37,768,028.75

**Budget Narrative
Fiscal Year 2013****REVENUES****Interest-Investments**

The District earns interest income on its trust accounts with US Bank.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the debt service expenditures during the Fiscal Year. The collection will be provided by the Tax Collector pursuant to Selection 197.3632, Florida Statutes, which is the Uniform Collection Methodology.

Special Assessment – CDD Collected (Maintenance)

The District will collect a Non-Ad Valorem assessment on all the un-platted parcels within the District in support of the overall fiscal year budget.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments only when collected by the Tax Collector. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES**Administrative****Miscellaneous-Assessment Collection Cost**

The District reimburses the Osceola Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The FY2013 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Principal Debt Retirement

The District pays regular principal payments annually in order to pay down/retire the debt service.

Interest Expense

The District pays interest expense on the debt service bonds twice a year.

Harmony

Community Development District

Supporting Budget Schedules

Fiscal Year 2013

HARMONY

Community Development District

2012-2013 Non-Ad Valorem Assessment Summary

Platted			2013	2012	2013	2012	2013	2012	% Change	
Neighborhood	Lot Type	Lot Width	O & M Assessment	O & M Assessment	Debt Service Assessment	Debt Service Assessment	Total Assessment	Total Assessment	(Decrease) Increase	Units
A-1	MF	n/a	\$ 381.24	\$ 393.97	\$ 688.88	\$ 676.15	\$ 1,070.12	\$ 1,070.12	0.00%	186
B	B	80	\$ 1,205.23	\$ 1,245.45	\$ 2,177.77	\$ 2,137.53	\$ 3,383.00	\$ 3,382.98	0.00%	9
	C	65	\$ 979.25	\$ 1,011.93	\$ 1,769.44	\$ 1,736.76	\$ 2,748.69	\$ 2,748.67	0.00%	25
	E	52	\$ 783.40	\$ 809.54	\$ 1,415.55	\$ 1,389.40	\$ 2,198.95	\$ 2,198.94	0.00%	35
	G	42	\$ 632.75	\$ 653.86	\$ 1,143.33	\$ 1,122.20	\$ 1,776.08	\$ 1,776.07	0.00%	22
	H	35	\$ 527.29	\$ 544.88	\$ 952.77	\$ 935.17	\$ 1,480.06	\$ 1,480.06	0.00%	15
C-1	B	80	\$ 1,185.43	\$ 1,224.99	\$ 2,141.98	\$ 2,102.41	\$ 3,327.41	\$ 3,327.40	0.00%	10
	C	65	\$ 963.16	\$ 995.30	\$ 1,740.36	\$ 1,708.21	\$ 2,703.52	\$ 2,703.51	0.00%	30
	E	52	\$ 770.53	\$ 796.24	\$ 1,392.29	\$ 1,366.57	\$ 2,162.82	\$ 2,162.81	0.00%	35
	G	42	\$ 622.35	\$ 643.12	\$ 1,124.54	\$ 1,103.77	\$ 1,746.89	\$ 1,746.88	0.00%	30
	H	35	\$ 518.63	\$ 535.93	\$ 937.12	\$ 919.80	\$ 1,455.74	\$ 1,455.74	0.00%	12
C-2	B	80	\$ 1,232.68	\$ 1,273.81	\$ 2,227.36	\$ 2,186.21	\$ 3,460.04	\$ 3,460.02	0.00%	4
	C	65	\$ 1,001.55	\$ 1,034.97	\$ 1,809.73	\$ 1,776.29	\$ 2,811.28	\$ 2,811.27	0.00%	14
	E	52	\$ 801.24	\$ 827.98	\$ 1,447.78	\$ 1,421.04	\$ 2,249.02	\$ 2,249.01	0.00%	13
	G	42	\$ 647.16	\$ 668.75	\$ 1,169.36	\$ 1,147.76	\$ 1,816.52	\$ 1,816.51	0.00%	31
	H	35	\$ 539.30	\$ 557.29	\$ 974.47	\$ 956.47	\$ 1,513.77	\$ 1,513.76	0.00%	25
D-1	B	80	\$ 1,273.54	\$ 1,316.03	\$ 2,301.19	\$ 2,258.67	\$ 3,574.72	\$ 3,574.71	0.00%	9
	C	65	\$ 1,034.75	\$ 1,069.28	\$ 1,869.71	\$ 1,835.17	\$ 2,904.46	\$ 2,904.45	0.00%	20
	E	52	\$ 827.80	\$ 855.42	\$ 1,495.77	\$ 1,468.14	\$ 2,323.57	\$ 2,323.56	0.00%	6
D-2	E	n/a	\$ 756.49	\$ 781.74	\$ 1,366.93	\$ 1,341.67	\$ 2,123.42	\$ 2,123.41	0.00%	11
E	Custom	n/a	\$ 2,018.47	\$ 2,085.82	\$ 3,647.22	\$ 3,579.84	\$ 5,665.69	\$ 5,665.66	0.00%	51
G	E	52	\$ 911.20	\$ 941.61	\$ 1,646.47	\$ 1,616.05	\$ 2,557.67	\$ 2,557.66	0.00%	62
	G	42	\$ 735.97	\$ 760.53	\$ 1,329.84	\$ 1,305.27	\$ 2,065.81	\$ 2,065.80	0.00%	85
	H	35	\$ 613.31	\$ 633.77	\$ 1,108.20	\$ 1,087.73	\$ 1,721.51	\$ 1,721.50	0.00%	39
Unplatted										
A-2	MF		\$ 337.16	\$ 348.41	\$ 609.23	\$ 597.97	\$ 946.39	\$ 946.38	0.00%	44
H-1/H-2	MF		\$ 579.55	\$ 598.89	\$ 1,047.21	\$ 1,027.86	\$ 1,626.76	\$ 1,626.75	0.00%	222
F	MF		\$ 448.14	\$ 463.10	\$ 809.76	\$ 794.80	\$ 1,257.91	\$ 1,257.90	0.00%	120
M	MF		\$ 218.59	\$ 225.89	\$ 384.98	\$ 387.68	\$ 613.57	\$ 613.57	0.00%	120
I/J	TBD		\$ 453.59	\$ 468.73	\$ 819.61	\$ 804.47	\$ 1,273.21	\$ 1,273.20	0.00%	600
K	TBD		\$ 417.62	\$ 431.56	\$ 754.61	\$ 740.67	\$ 1,172.23	\$ 1,172.22	0.00%	220
L	TBD		\$ 447.49	\$ 462.42	\$ 808.58	\$ 793.64	\$ 1,256.07	\$ 1,256.06	0.00%	180
Comm	Comm		\$ 25,556.84	\$ 26,409.64	\$ 46,179.26	\$ 45,326.11	\$ 71,736.10	\$ 71,735.75	0.00%	7.58
Office	Office		\$ 88,808.32	\$ 91,771.75	\$ 160,469.90	\$ 157,505.25	\$ 249,278.22	\$ 249,277.01	0.00%	26.34
TC	Town Center		\$ 101,991.34	\$ 105,394.67	\$ 184,290.60	\$ 180,865.87	\$ 286,281.93	\$ 286,280.54	0.00%	30.25
GC	Golf Course		n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Total Units 2,349.17

6B

RESOLUTION 2012-03

A RESOLUTION OF THE HARMONY COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE IMPOSED AND LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2012, submitted to the Board of Supervisors (the "Board") a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget and any proposed long-term financial plan or program of the District for future operations (the "Proposed Budget") the District did file a copy of the Proposed Budget with the general purpose local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, on May 31, 2012, the Board set August 30, 2012, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a) Florida Statutes; and

WHEREAS, Section 190.008(2)(a), Florida Statutes requires that, prior to October 1 of each year, the District Board by passage of the Annual Appropriation Resolution shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget on a Cash Flow Budget basis, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year; and

WHEREAS, Section 190.021, Florida Statutes provides that the Annual Appropriation Resolution shall also fix the Maintenance Special Assessments and Benefit Special Assessments upon each piece of property within the boundaries of the District benefited, specifically and peculiarly, by the maintenance and/or capital improvement programs of the District, such imposition and levy representing the amount of assessments to reimburse the District for the special and peculiar benefits received and necessary to provide for payment during the ensuing budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds, in order for the District to exercise its various general and special powers to implement its single and specialized infrastructure provision purpose; and

WHEREAS, the Assessment Methodology, the Engineer's Cost Report and the non-ad valorem Assessment Roll used with the original District resolutions are incorporated herein and made a part hereof by reference unchanged except as to the amount of the assessments.

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds and determines that the non-ad valorem special assessments it imposes and levies by this Resolution for maintenance on the parcels of property involved will constitute a mechanism by which the property owners lawfully and validly will reimburse the District for those certain special and peculiar benefits the District has determined are received by, and flow to, the parcels of property from the systems, facilities and services being provided, and that the special and peculiar benefits are apportioned in a manner that is fair and reasonable in accordance with applicable assessment methodology and related case law; and

WHEREAS, the Chair of the Board of Supervisors may designate the District Manager or other person to certify the non-ad valorem assessment roll to the State Constitution's Tax Collector in and for Osceola County political subdivision on compatible electronic medium tied to the property identification number no later than 31 August 2012 so that the Tax Collector may merge that roll with others into the collection roll from which the November tax notice is to be printed and mailed; and

WHEREAS, non-ad valorem assessments imposed and levied on the unplatted parcels owned by the landowner/developer are collected by the District through the Manager, not using the uniform collection methodology.

WHEREAS, no authorized budget revisions or transfers shall result in any non-ad valorem assessment per parcel in excess of the amount on the rolls certified hercunder.

WHEREAS, the proceeds from the collections of these imposed and levied non-ad valorem assessments shall be distributed to the Harmony Community Development District by the Tax Collector and the District Manager; and

WHEREAS, the Tax Collector performs the state work in preparing, mailing out, collecting and enforcing against delinquency the non-ad valorem assessments of the District using the Uniform Collection Methodology for non-ad valorem assessments under the direct supervision of the Florida Department of Revenue and the District Manager does not use the uniform methodology; and

WHEREAS, if the Property Appraiser and the Tax Collector have adopted a different technological procedure for certifying and merging the rolls, then that procedure must be worked out and negotiated with Board approval through the auspices of the District Manager before there are any deviations from the provisions of Section 197.3632, Fla. Stat., and Rule 12D-18, Florida Administrative Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HARMONY COMMUNITY DEVELOPMENT DISTRICT;

Section 1. The provisions of the whereas clauses are true and correct and are incorporated herein as dispositive.

Section 2. Budget

- a. That the Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Treasurer and the office of the Recording Secretary, and is hereby attached to this resolution, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. That the District Manager's Proposed Budget, as amended by the Board, is adopted hereby in accordance with the provisions of Section 190.008(2)(a), Florida Statutes and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be revised subsequently as deemed necessary by the District Manager to reflect actual revenues and expenditures for the Fiscal Year 2012 and/or revised projections for Fiscal Year 2013.
- c. That the adopted budget, as amended, shall be maintained in the office of the District Treasurer and the District Recording Secretary and identified as "The Budget for the Harmony Community Development District for the Fiscal Year Ending September 30, 2013, as Adopted by the Board of Supervisors on August 30, 2012".

Section 3. Appropriations

That there be, and hereby is appropriated out of the revenues of the Harmony Community Development District, for the Fiscal Year beginning October 1, 2012, and ending September 30, 2013 the sum of _____ (\$ _____) to be raised by the applicable imposition and levy by the Board of applicable non-ad valorem special assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$
DEBT SERVICE FUND	\$
Total All Funds	\$

Section 4. Supplemental Appropriations

The Board may authorize by resolution supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

- a. Board may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.
- b. Board may authorize an appropriation from the unappropriated balance of any fund.
- c. Board may increase any revenue or income budget account to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

The District Manager and Treasurer shall have the power within a given fund to authorize the transfer of any unexpended balance of any appropriation item or any portion thereof, provided such transfers do not exceed Ten Thousand (\$10,000) Dollars or have the effect of causing more than 10% of the total appropriation of a given program or project to be transferred previously approved transfers

included. Such transfer shall not have the effect of causing a more than \$10,000 or 10% increase, previously approved transfers included, to the original budget appropriation for the receiving program. Transfers within a program or project may be approved by the applicable department director and the District Manager or Treasurer. The District Manager or Treasurer must establish administrative procedures, which require information on the request forms proving that such transfer requests comply with this section.

Section 5. Maintenance Special Assessment Levy: Fixed and Referenced and to be Levied by the Board

- a. That the Fiscal Year 2013 Maintenance Special Assessment (the "assessment") upon all the property within the boundaries of the District based upon the special and peculiar benefit received and further based upon reasonable and fair apportionment of the special benefit, shall be in accordance with the attached Exhibit A, representing the amount of District assessments necessary to provide for payment during the aforementioned budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds. Said assessment shall be distributed by the Tax Collector or the District Manager for the assessments imposed and levied as follows:

General Fund O & M	§ [See Assessment Levy Resolution 2012-04]
Debt Service Fund	§ [See Assessment Levy Resolution 2012-04]

- b. The designee of the Chair of the Board of Supervisors of the Harmony Community Development District shall be either the Manager or the Treasurer of the District designated to certify the non-ad valorem assessment roll to the Tax Collector in and for the Osceola County political subdivision, in accordance with applicable provisions of State law (Chapters 190 and 197, Fla. Stat.) and applicable rules (Rule 12D-18, Florida Administrative Code) which shall include not only the maintenance special assessment but also the total assessment for the debt service, as required by and pursuant to law.

Introduced, considered favorably, and adopted this 30th day of August, 2012.

Harmony Community Development District

Robert D. Evans
Chairman

Attest:

Gary L. Moyer
Secretary

6C

RESOLUTION 2012-04

A RESOLUTION IMPOSING AND LEVYING A NON AD VALOREM MAINTENANCE SPECIAL ASSESSMENT FOR THE HARMONY COMMUNITY DEVELOPMENT DISTRICT FOR FISCAL YEAR 2013

Preamble

WHEREAS, certain systems, facilities, services and improvements within the Harmony Community Development District and certain related costs of managing the operation, repairs and maintenance are being incurred; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the District's total General Fund operation assessments, taking into consideration the other revenue sources during Fiscal Year 2013 will amount to \$ _____; and

WHEREAS, the other revenue sources are \$ _____; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds the District's Debt Service Fund Assessment during Fiscal Year 2013 will amount to \$ _____; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the Debt Service Fund relates to systems and facilities which provide special benefits peculiar to certain property within the District based on the applicable assessment methodology; which is on file with the District Manager and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the non-ad valorem special assessments it imposes and levies by this resolution for maintenance on the parcels of property involved will reimburse the District for certain special and peculiar benefits received by the property flowing from the maintenance of the systems, facilities and services apportioned in a manner that is fair and reasonable, in accordance with the applicable assessment methodology; and

WHEREAS, the District Board understands that while this resolution imposes and levies only the maintenance assessments for 2013, the Chair of the District or the designee of the Chair, shall certify a total non-ad valorem assessment roll in a timely manner to the State Constitution's

Tax Collector in and for the Osceola County political subdivision for collection to include all assessments imposed, levied and approved by the District on the property including those for debt service as well as for special maintenance assessments using the uniform methodology.

WHEREAS, the District Board understands further that all assessments collected by the District Manager shall not be pursuant to the uniform methodology.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD
OF SUPERVISORS OF THE HARMONY COMMUNITY
DEVELOPMENT DISTRICT OF OSCEOLA COUNTY,
FLORIDA;**

Section 1. All the whereas clauses are incorporated herein and are dispositive.

Section 2. A special assessment for maintenance as provided for in Section 190.021(3), Florida Statutes, (hereinafter referred to as assessment) is hereby imposed and levied on the platted lots within the District and on un-platted land within the District if applicable.

Section 3. That the collection and enforcement of the aforesaid assessments under the supervision of the Florida Department of Revenue on platted and non-platted lots shall be by the Tax Collector and shall be at the same time and in like manner as ad valorem taxes and subject to all ad valorem tax collection and enforcement procedures which attend the use of the official annual tax notice using the uniform method.

Section 4. The maintenance special assessments on platted lots in the District will be combined with the debt service non-ad valorem assessments which were imposed, levied and certified as a total amount on the non-ad valorem assessment roll to the Osceola County Tax Collector by the designee of the Chair of the Board on compatible medium no later than 31 August 2012, which shall then be collected by the Tax Collector on the tax notice along with other non-ad valorem assessments from other local governments and with all applicable property taxes to each platted parcel of property. Any maintenance assessment imposed and levied on un-platted lands will be collected by the District Manager.

Section 5. The proceeds therefrom shall be distributed to the Harmony Community Development District.

Section 6. The Chair of the Board of the Harmony Community Development District designates the District Manager to perform the certification duties.

Section 7. Be it further resolved, that a copy of this Resolution be transmitted to the proper public officials so that its purpose and effect may be carried out in accordance with law.

PASSED AND ADOPTED this 30th day of August, 2012, by the Board of Supervisors of the Harmony Community Development District, Osceola County, Florida.

Gary L. Moyer
Secretary

Robert D. Evans
Chairman

Seventh Order of Business

7A

**Harmony
Community Development District**

Financial Report

July 31, 2012

Prepared by



**Harmony
Community Development District**

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**Harmony
Community Development District**

Financial Statements

(Unaudited)

July 31, 2012

Balance Sheet
July 31, 2012

ACCOUNT DESCRIPTION	GENERAL FUND	2001 DEBT SERVICE FUND	2004 DEBT SERVICE FUND	2004 CAPITAL PROJECTS FUND	TOTAL
ASSETS					
Cash - Checking Account	\$ 221,380	\$ -	\$ -	\$ -	\$ 221,380
Cash On Hand/Petty Cash	500	-	-	-	500
Accounts Receivable	18,535	-	-	-	18,535
Assessments Receivable	76,163	-	-	-	76,163
Interest/Dividend Receivables	1,597	-	-	-	1,597
Investments:					
Certificates of Deposit - 36 Months	127,778	-	-	-	127,778
Money Market Account	480,773	-	-	-	480,773
Construction Fund	-	-	-	62,829	62,829
Prepayment Account	-	20,418	3,229	-	23,647
Reserve Fund	-	1,416,606	859,953	-	2,276,559
Revenue Fund	-	501,589	2,927	-	504,516
Prepaid Items	1,281	-	-	-	1,281
TOTAL ASSETS	\$ 928,007	\$ 1,938,613	\$ 866,109	\$ 62,829	\$ 3,795,558
LIABILITIES					
Accounts Payable	\$ 79,568	\$ -	\$ -	\$ -	\$ 79,568
Accrued Expenses	33,375	-	-	-	33,375
Deferred Revenue	8,672	-	-	-	8,672
TOTAL LIABILITIES	121,615	-	-	-	121,615
FUND BALANCES					
<i>Nonspendable:</i>					
Prepaid Items	\$ 1,281	\$ -	\$ -	\$ -	\$ 1,281
<i>Restricted For:</i>					
Debt Service	-	1,938,613	866,109	-	2,804,722
Reserved for Capital Projects	-	-	-	62,829	62,829
<i>Assigned to:</i>					
Operating Reserves	350,000	-	-	-	350,000
Reserves-Renewal & Replacement	135,000	-	-	-	135,000
Reserves - Self Insurance	50,000	-	-	-	50,000
<i>Unassigned:</i>					
Unassigned	270,111	-	-	-	270,111
TOTAL FUND BALANCES	\$ 806,392	\$ 1,938,613	\$ 866,109	\$ 62,829	\$ 3,673,943
TOTAL LIABILITIES & FUND BALANCES	\$ 928,007	\$ 1,938,613	\$ 866,109	\$ 62,829	\$ 3,795,558

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending July 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 1,500	\$ 1,250	\$ 2,891	\$ 1,641
Interest - Tax Collector	-	-	75	75
Special Assmnts- Tax Collector	622,472	622,472	622,472	-
Special Assmnts- CDD Collected	913,955	761,630	761,629	(1)
Special Assmnts- Discounts	(24,900)	(24,900)	(11,952)	12,948
Other Miscellaneous Revenues	-	-	1,501	1,501
TOTAL REVENUES	1,513,027	1,360,452	1,376,616	16,164
EXPENDITURES				
Administrative				
P/R-Board of Supervisors	9,600	8,000	7,800	200
FICA Taxes	734	610	597	13
ProfServ-Arbitrage Rebate	1,200	1,200	1,200	-
ProfServ-Dissemination Agent	500	500	500	-
ProfServ-Engineering	15,000	12,500	4,742	7,758
ProfServ-Legal Services	23,000	19,170	29,806	(10,636)
ProfServ-Mgmt Consulting Serv	55,984	46,650	41,453	5,197
ProfServ-Property Appraiser	779	779	-	779
ProfServ-Special Assessment	11,822	11,822	11,822	-
ProfServ-Trustee	11,000	11,000	9,186	1,814
Auditing Services	8,000	8,000	7,500	500
Communication - Telephone	380	320	150	170
Postage and Freight	1,200	1,000	892	108
Insurance - General Liability	23,733	23,733	23,262	471
Printing and Binding	5,000	4,170	5,553	(1,383)
Legal Advertising	1,000	834	278	556
Misc-Assessmnt Collection Cost	12,449	12,449	12,210	239
Misc-Contingency	2,800	2,330	192	2,138
Office Supplies	1,500	1,250	592	658
Annual District Filing Fee	175	175	175	-
Total Administrative	185,856	166,492	167,910	8,582
Field				
ProfServ-Field Management	109,839	90,020	90,896	(876)
Total Field	109,839	90,020	90,896	(876)

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending July 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
Landscape				
R&M-Grounds	32,994	27,500	19,557	7,943
R&M-Irrigation	15,767	15,767	28,410	(12,643)
R&M-Tree Trimming Services	15,000	12,500	13,000	(500)
R&M-Trees and Trimming	21,115	17,596	15,929	1,667
R&M-Turf Care	283,001	235,840	231,668	4,172
R&M-Shrub Care	110,539	92,120	89,616	2,504
Miscellaneous Services	10,000	8,330	17,769	(9,439)
Total Landscape	488,416	409,653	415,949	(6,296)
Utilities				
Electricity - General	35,000	29,170	20,897	8,273
Electricity - Streetlighting	385,000	320,830	315,048	5,782
Utility - Water & Sewer	105,000	87,500	72,616	14,884
Total Utilities	525,000	437,500	408,561	28,939
Operation & Maintenance				
Contracts-Lake and Wetland	35,000	29,170	23,215	5,955
Communication - Telephone	8,000	6,670	3,668	3,002
R&M-Common Area	18,806	15,670	16,157	(487)
R&M-Equipment	15,000	12,500	11,124	1,376
R&M-Pools	70,000	58,330	51,363	6,967
R&M-Roads & Alleyways	1,000	830	4,041	(3,211)
R&M-Sidewalks	6,000	5,000	-	5,000
R&M-Parks & Amenities	8,500	7,080	1,977	5,103
R&M-Hardscape Cleaning	6,000	5,000	2,836	2,164
Misc-Contingency	15,610	13,010	5,828	7,182
Misc-Security Enhancements	5,000	5,000	904	4,096
Cap Outlay - Other	15,000	-	30,263	(30,263)
Total Operation & Maintenance	203,916	158,260	151,376	6,884
TOTAL EXPENDITURES	1,513,027	1,261,925	1,224,692	37,233
Excess (deficiency) of revenues Over (under) expenditures	-	98,527	151,924	53,397
Net change in fund balance	\$ -	\$ 98,527	\$ 151,924	\$ 53,397
FUND BALANCE, BEGINNING (OCT 1, 2011)	654,468	654,468	654,468	
FUND BALANCE, ENDING	\$ 654,468	\$ 752,995	\$ 806,392	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending July 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 670	\$ 710	\$ 40
Special Assmnts- Tax Collector	1,037,460	1,037,460	1,031,779	(5,681)
Special Assmnts- Prepayment	-	-	16,668	16,668
Special Assmnts- CDD Collected	432,195	432,195	614,176	181,981
Special Assmnts- Discounts	(41,498)	(41,498)	(19,810)	21,688
TOTAL REVENUES	1,428,957	1,428,827	1,643,523	214,696
EXPENDITURES				
Administrative				
Misc-Assessmnt Collection Cost	20,749	20,749	20,239	510
Total Administrative	20,749	20,749	20,239	510
Debt Service				
Principal Debt Retirement	325,000	325,000	325,000	-
Principal Prepayments	-	-	30,000	(30,000)
Interest Expense	1,098,375	1,098,375	1,097,288	1,087
Total Debt Service	1,423,375	1,423,375	1,452,288	(28,913)
TOTAL EXPENDITURES	1,444,124	1,444,124	1,472,527	(28,403)
Excess (deficiency) of revenues Over (under) expenditures	(15,167)	(15,297)	170,996	186,293
Net change in fund balance	\$ (15,167)	\$ (15,297)	\$ 170,996	\$ 186,293
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,767,617	1,767,617	1,767,617	
FUND BALANCE, ENDING	\$ 1,752,450	\$ 1,752,320	\$ 1,938,613	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending July 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 660	\$ 2,612	\$ 1,952
Special Assmnts- CDD Collected	1,197,400	864,415	692,061	(172,354)
TOTAL REVENUES	1,198,200	865,075	694,673	(170,402)
EXPENDITURES				
Debt Service				
Principal Debt Retirement	245,000	245,000	245,000	-
Interest Expense	985,500	985,500	985,500	-
Total Debt Service	1,230,500	1,230,500	1,230,500	-
TOTAL EXPENDITURES	1,230,500	1,230,500	1,230,500	-
Excess (deficiency) of revenues Over (under) expenditures	(32,300)	(365,425)	(535,827)	(170,402)
Net change in fund balance	\$ (32,300)	\$ (365,425)	\$ (535,827)	\$ (170,402)
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,401,936	1,401,936	1,401,936	
FUND BALANCE, ENDING	\$ 1,369,636	\$ 1,036,511	\$ 866,109	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending July 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ -	\$ -	\$ 22	\$ 22
TOTAL REVENUES	-	-	22	22
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues Over (under) expenditures	-	-	22	22
Net change in fund balance	\$ -	\$ -	\$ 22	\$ 22
FUND BALANCE, BEGINNING (OCT 1, 2011)	-	-	62,807	
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,829</u>	

**Notes to the Financial Statements
July 31, 2012**

General Fund

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.
- **Accounts Receivable** - Reimbursement for FY2006 Delinquent Assessments and all legal fees associated with the FY2006 Delinquent Assessments.
- **Interest Receivable** - Accrued interest earned on CD.
- **Prepaid** - US Bank Series 2004 Trustee Fees - 10/1/12-11/30/12, Maxi-Com Irrigation Monitoring for August 2012.

▶ **Liabilities**

- **Accounts Payable** - Expenditures paid in August 2012.
- **Accrued Expenses** -

OUC Electricity - General - 8/10/12 - 9/7/12	\$ 1,900
OUC - Streetlighting - 8/10/12 - 9/7/12	31,475
Total	\$ 33,375

- **Deferred Revenue** - Reimbursement of FY2006 Delinquent assessments.

Debt Service Funds

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.

Capital Project Funds

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.

Miscellaneous Notes

- ▶ Principal prepayments were made in November 2011 for Series 2001 in the amount of \$30,000.

- ▶ Per letter dated February 2012, the District will be reimbursed for the delinquent FY2006 assessments at approx. \$1,300 for the next 11 months. The invoice for administrative management fee will be reduced monthly through March 2013. In addition, any legal fees incurred by the District relating to the FY2006 delinquent assessments, will also be reimbursed. See page 14 for breakdown of reimbursement.

The notes are intended to provide additional information helpful when reviewing the financial statements.

Notes to the Financial Statements
July 31, 2012

General Fund

Financial Overview / Highlights

- ▶ The YTD Non-Ad Valorem assessments collections through the tax collector are at 100%.
- ▶ Total general fund expenditures are at approximately 102% of the YTD (prorated) budget. Significant variances are explained below.

Variance Analysis (Revenues and Expenditures)

<u>Account Name</u>	<u>YTD Budget</u>	<u>Actual YTD</u>	<u>Variance (%)</u>	<u>Explanation</u>
Revenues				
Interest - Investments	\$ 1,250	\$ 2,891	231%	Interest earned on operating and investment accounts
Other Miscellaneous Revenues	\$ -	\$ 1,501	n/a	Includes the non-refundable pool key deposits, reimbursement for damage to the District's utility trailer, fees related to document retrieval/copies for recent record request and replacement key cards for security gate.
Expenditures				
ProfServ - Trustee	\$11,000	\$9,186	84%	Annual fees for Series 2001 and Series 2004 from 12/1/11 - 11/30/12.
ProfServ - Legal Services	\$19,170	\$29,806	155%	Young van Assenderp, P.A. - Invoices as of July 2012. Actual amount decreased by \$9,863 and re-classed to accounts receivable. Any legal expenditures relating to the FY2006 assessments will be reimbursed as per agreement. Unfavorable variance due to recent June and July invoices for \$12,800 re: RFP for landscaping contract put out for bid in May 2012.
ProfServ - Management Consulting Services	\$46,650	\$41,453	89%	Under Budget: As part of an agreement on February 2012 to reimburse the District the FY2006 Outstanding O&M Assessments, the monthly invoice will show a reduction of \$1,300 beginning April 2012 through March 2013.

Notes to the Financial Statements
July 31, 2012

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%) Fav (Unfav)</u>	<u>Explanation</u>
<u>Administration (Continued)</u>				
Printing and Binding	\$4,170	\$5,553	133%	Over Budget: Copies used in the preparation of agenda packages. Details have been provided by recording department. Unfavorable variance due to June invoice for \$1,047 for RFP and bid packages printed in Celebration.
Misc. - Contingency	\$2,097	\$192	9%	Bank Fee for Debit Card account.
<u>Field</u>				
ProfServ-Field Management	\$9,020	\$90,896	1008%	Over Budget: Payroll and overhead costs for full-time field manager/dockmaster and assistant field manager. Unfavorable variance due to overtime from both Field Manager and Assistant.
<u>Landscape</u>				
R&M - Irrigation	\$15,767	\$28,410	180%	Over Budget: This line item includes 2 mos for Luke Bros Inc. monthly fee for irrigation and maintenance (The contract for this service ended in December 2011) and additional irrigation repairs through Jan 2012 for approx. \$2,980, invoices through July 2012 from FIS Outdoor, for irrigation supplies are approx. \$6,855, monthly fees from Maxi-com and Walker Tech. In October 2011, a one-time invoice was paid from Harmony Golf Preserve - reimbursement for 50% of the weather station repair. Unfavorable variance due to expenditure for \$7,323 from Clerke Equipment for utility vehicle.
R&M-Trees Trimming Services	\$12,500	\$13,000	104%	Over Budget: Luke Bros one-time fee for pruning and maintenance for trees above 10-foot height level. Unfavorable variance due to timing of budget allocation.
Miscellaneous Services	\$8,330	\$17,769	213%	Over Budget: Invoices from Luke Brothers Inc. for installation of mulch, Holly, Palmetto, Birch, Bahia grass and various trees within the District. Unfavorable variance due to additional installation of mulch in November 2011, additional plants in April 2012 and receiving late Luke Bros. invoices for tree work done in FY2011.

Harmony
Community Development District

Revenues, Expenditures and Fund Balances

All Funds

Notes to the Financial Statements
July 31, 2012

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
Expenditures - Operation & Maintenance (continued)				
<u>Operation & Maintenance</u>				
R&M-Roads & Alleyways	\$830	\$4,041	487%	Over Budget: Unfavorable variance due to invoice from Florida Site & Seed, Inc. for emergency pipe repair in Cypress Neighborhood.
Misc-Contingency	\$13,010	\$5,828	45%	Invoices for employee uniforms, gate for storage facility, painting of flagpole and recent painting of stripes within the recreational facility parking lot.
Cap Outlay - Other	\$0	\$30,263	n/a	Over Budget: Unfavorable variance due to invoice from Creative Shade Solutions Inc. for shade structures within the District, drinking fountain from Southern Park and Play and floating dock repairs made from The Dock-Ters Marine Construction.

Debt Service Fund Series 2001

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
Revenues				
Special Assmts - CDD Collected	\$ 432,195	\$ 614,176	142%	Over Budget: Non-Ad Valorem assessments collected semi-annually by the District on all the un-platted parcels. Variance due to District Billed invoice sent in April 2012.

Debt Service Fund Series 2004

Revenues				
Special Assmts - CDD Collected	\$ 864,415	\$ 692,061	80%	Non-Ad Valorem assessments collected semi-annually by the District on all the un-platted parcels.

Harmony

Community Development District

Non-Ad Valorem Special Assessments
Osceola County Tax Collector - Monthly Collection Report
For the Fiscal Year Ending September 30, 2012

Date Received	Net Amount Received	Discount/ (Penalties) Amount	Collection Cost	Gross Amount Received	Allocation by Fund	
					General Fund Assessments	Series 2001 Debt Service Fund Assessments
ASSESSMENTS LEVIED FY 2012				\$ 1,654,251	\$ 622,472	\$ 1,031,779
Allocation %				100%	37.63%	62.37%
11/08/11	\$ 2,383	\$ 135	\$ 49	\$ 2,567	\$ 966	\$ 1,601
11/23/11	40,419	1,718	825	42,963	16,166	26,797
12/14/11	676,916	28,780	13,815	719,511	270,742	448,769
12/30/11	70,550	2,929	1,440	74,919	28,191	46,728
01/09/12	9,691	306	198	10,195	3,836	6,359
02/16/12	27,824	635	567	29,026	10,922	18,104
03/15/12	15,320	158	313	15,790	5,942	9,849
03/15/12	405	-	8	413	155	258
04/09/12	648,460	44	13,193	659,696	248,235	411,462
05/09/12	7,387	(188)	151	7,350	2,766	4,584
06/08/12	13,604	(404)	278	13,477	5,071	8,406
06/18/12	79,080	(2,350)	1,614	78,344	29,480	48,864
TOTAL	\$ 1,590,040	\$ 31,762	\$ 32,449	\$ 1,654,251	\$ 622,472	\$ 1,031,779

% COLLECTED 100.00% 100.00% 100.00%

Note (1) Difference with Budget is due to prepayments of assessments.

Harmony
Community Development District

Cash and Investment Report
July 31, 2012

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Checking Account- Operating	CenterState Bank	Interest Bearing Account	n/a	0.05% / 0.10% (1)	\$219,744
Checking Account	BankUnited	Business Checking Account	n/a	n/a	\$1,000
Checking Account	CenterState Bank	Business Checking Account	n/a	0.21% (2)	\$636
				Subtotal	\$221,380
Cash On Hand		Petty Cash	n/a	n/a	\$500
Certificate of Deposit	CenterState Bank	36 month CD	7/6/2014	1.25%	\$127,778
Money Market Account	CenterState Bank	Money Market Account	n/a	0.15%	\$277,830
Money Market Account	Florida Shores Bank	Money Market Account	n/a	0.50%	\$101,876
Money Market Account	BankUnited	Money Market Account	n/a	0.55%	\$101,068
				Subtotal	\$480,773

Debt Service and Capital Projects Funds

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2001 Prepayment Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$20,418
Series 2001 Reserve Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$1,416,606
Series 2001 Revenue Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$501,589
Series 2004 Prepayment Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$3,229
Series 2004 Reserve Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$859,953
Series 2004 Revenue Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$2,927
Series 2004 Construction Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$52,829
				Subtotal	\$2,867,551
				Total	\$3,697,982

Notes

(1) The Operating Account at CenterState Bank is a combination of Business Checking and Money Market. The different yields reflects the interest rate in each account, respectively.

(2) Additional funds were transferred in August 2012 to Business Checking Account

Harmony**Community Development District**

**Monthly Debit Card Purchases
July 31, 2012**

Date	Vendor	Description	Amount
7/2/2012	Osceola Glass & Mirror	Swim Club window replacement	210.00
7/5/2012	Sunoco	Fuel	125.00
7/10/2012	North South Supply inc.	Irrigation supplies	226.92
7/16/2012	Toms Upholstery	Replacement Seat cover and canopy for small pontoon.	365.00
7/17/2012	Wal-Mart	n/a	118.64
7/23/2012	Sunoco	Fuel	100.25
7/23/2012	Bass Pro	Fishing and boat supplies	92.96
7/25/2012	Walgreens	Paper Goods	41.40
7/30/2012	North South Supply inc.	Irrigation supplies	56.26
		Total	\$ 1,336.43

Harmony
Community Development District

Schedule of Reimbursement
July 31, 2012

FY 2006 Assessments to be reimbursed as per letter on February 2012.	\$	13,872
Legal Fees associated to FY2006 assessments.	\$	9,863
	Total to be Reimbursed \$	23,735

Date	Invoice #	Amount Deducted
4/30/2012	004122	\$ 1,300
5/31/2012	004173	1,300
6/30/2012	004204	1,300
7/31/2012	004237	1,300
	Total	\$ 5,200

Outstanding Balance \$ 18,535

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Harmony

General Fund

Community Development District

Invoice Approval Report # 148

August 17, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>AT & T</u>	993377858X07262012	R	\$ 267.97
		Vendor Total	\$ 267.97
<u>BIO-TECH CONSULTING INC</u>	14485	A	\$ 1,530.00
	14497	A	\$ 1,530.00
		Vendor Total	\$ 3,060.00
<u>BOYD CIVIL ENGINEERING</u>	00059	A	\$ 300.00
		Vendor Total	\$ 300.00
<u>BRIGHT HOUSE NETWORKS</u>	072012-41601	R	\$ 49.95
	073112-41501	R	\$ 44.95
		Vendor Total	\$ 94.90
<u>CENTURY LINK</u>	070712-81648	R	\$ 51.05
	072512-08324	R	\$ 46.89
	080712-81648	R	\$ 50.96
		Vendor Total	\$ 148.90
<u>CITY OF ST CLOUD</u>	071112	R	\$ 33,420.38
		Vendor Total	\$ 33,420.38
<u>FEDEX</u>	7-947-13054	R	\$ 16.38
	7-962-04031	R	\$ 64.66
	7-976-67546	R	\$ 8.01
		Vendor Total	\$ 89.05
<u>FIS OUTDOOR</u>	2896437-00	A	\$ 80.21
	2895273-00	A	\$ 37.88
		Vendor Total	\$ 118.09
<u>GRAINGER</u>	9876031726	R	\$ 156.78
	9893572025	R	\$ 48.00
	9893572009	R	\$ 384.60
		Vendor Total	\$ 589.38
<u>HARMONY GOLF PRESERVE</u>	HGP062912	A	\$ 66.47
	HGP08012012	A	\$ 289.00
		Vendor Total	\$ 355.47

Harmony

General Fund

Community Development District

Invoice Approval Report # 148

August 17, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>HOME DEPOT CREDIT SERVICES</u>	1011141	R	\$ 226.55
	51266	R	\$ 429.04
	3012273	R	\$ 190.93
	6054978	R	\$ 34.94
		Vendor Total	\$ 881.46
<u>JAMES AARON SMITH DBA</u>	071612	A	\$ 385.00
	080112	A	\$ 585.00
	081412	A	\$ 5,600.00
		Vendor Total	\$ 6,570.00
<u>KISSIMMEE UTILITY AUTHORITY</u>	072612	R	\$ 10,485.60
	073012-84420	R	\$ 890.54
		Vendor Total	\$ 11,376.14
<u>LUKE BROTHERS INC.</u>	1207-94454	R	\$ 2,000.00
	1207-94344	A	\$ 36,220.75
	J017579	A	\$ 16,656.45
		Vendor Total	\$ 54,877.20
<u>NAPA AUTO PARTS</u>	662716	A	\$ 95.17
	868809	A	\$ 586.31
	644725	A	\$ 76.00
		Vendor Total	\$ 757.48
<u>PROPET DISTRIBUTORS INC.</u>	88714	A	\$ 1,038.00
		Vendor Total	\$ 1,038.00
<u>RENTAL WORLD OF ST CLOUD</u>	02-153115-153370-01	R	\$ 81.99
		Vendor Total	\$ 81.99
<u>ROBERTS POOL SERVICE & REPAIR</u>	040112	A	\$ 1,600.00
	072012	A	\$ 2,794.09
	080112	A	\$ 1,280.00
		Vendor Total	\$ 5,674.09
<u>SEVERN TRENT ENVIRONMENTAL SERVICES</u>	2061972	A	\$ 13,513.32
		Vendor Total	\$ 13,513.32
<u>SOUTHERN PARK AND PLAY SYSTEMS INC</u>	0006845A	R	\$ 10,853.00
		Vendor Total	\$ 10,853.00

Harmony

General Fund

Community Development District

Invoice Approval Report # 148

August 17, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>SPIES POOL LLC</u>	239661	A	\$ 332.70
	239663	A	\$ 263.80
	Vendor Total		\$ 596.50
<u>SUN PUBLICATIONS DBA</u>	00108717	R	\$ 39.00
	Vendor Total		\$ 39.00
<u>WALKER TECHNICAL SERVICES</u>	1047	A	\$ 250.00
	Vendor Total		\$ 250.00
<u>WESCO FOUNTAINS INC.</u>	08032012-01A	R	\$ 3,326.30
	Vendor Total		\$ 3,326.30
<u>YOUNG VAN ASSENDERP, P.A.</u>	12190	A	\$ 6,101.14
	12218	A	\$ 6,699.43
	Vendor Total		\$ 12,800.57
Total			\$ 161,079.19
			Total \$ 161,079.19

**Harmony
Community Development District**

Check Register

July 1 - July 31, 2012

Harmony
Check Register by Fund
For the Period from 7/1/2012 to 7/31/2012
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
GENERAL FUND - 001								
001	52732	07/27/12	ADVANCED MARINE SERVICES	58786	CONTROL BOARD-REPAIR MOTOR	R&M-Equipment	546022-53910	\$625.63
001	52732	07/27/12	ADVANCED MARINE SERVICES	58787	PRIMER BULB	R&M-Equipment	546022-53910	\$39.98
001	52716	07/06/12	AT & T	993377858X06262012	#993377858 5/19-6/18	Communication - Telephone	541003-53910	\$288.42
001	52733	07/27/12	BIO-TECH CONSULTING INC	14323	AQUATIC PLANT MAINT-JUNE	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52734	07/27/12	BOYD CIVIL ENGINEERING	00045	ENG FEES-JUNE	ProfServ-Engineering	531013-51501	\$859.68
001	52722	07/10/12	BRIGHT HOUSE NETWORKS	063012-41501	#1046415-01 7/6-8/5	R&M-Common Area	546016-53910	\$44.95
001	52717	07/06/12	CENTURY LINK	062512-08324	#311908324 6/25-7/24	Communication - Telephone	541003-53910	\$45.84
001	52729	07/16/12	CENTURY LINK	070712-81648	#312281648 7/7-8/6	Communication - Telephone	541003-53910	\$51.05
001	52730	07/18/12	CITY OF ST CLOUD	071112	BILLING PERIOD 6/6-7/10	Electricity - Streetlighting	543013-53903	\$31,475.40
001	52730	07/18/12	CITY OF ST CLOUD	071112	BILLING PERIOD 6/6-7/10	Electricity - General	543006-53903	\$1,944.98
001	52723	07/10/12	FEDEX	7-932-91774	#0012-7 6/15-6/19	Postage and Freight	541006-51301	\$103.77
001	52723	07/10/12	FEDEX	7-940-32814	#0012-7 6/21-6/27	Postage and Freight	541006-51301	\$16.38
001	52731	07/18/12	FEDEX	7-947-13054	#0012-7 6/29	Postage and Freight	541006-51301	\$16.38
001	52743	07/31/12	HOME DEPOT CREDIT SERVICES	1011141	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$226.55
001	52743	07/31/12	HOME DEPOT CREDIT SERVICES	51266	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$429.04
001	52743	07/31/12	HOME DEPOT CREDIT SERVICES	3012273	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$190.93
001	52743	07/31/12	HOME DEPOT CREDIT SERVICES	6054878	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$34.94
001	52724	07/10/12	JACK PUFFENBARGER	576455	GOLF CART CHARGER	R&M-Common Area	548016-53910	\$119.90
001	52718	07/06/12	KISSIMMEE UTILITY AUTHORITY	062512	BILLING PERIOD 5/15-8/17	Utility - Water & Sewer	543021-53903	\$8,845.72
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Turf Care	546130-53902	\$7,833.07
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Turf Care	546130-53902	\$9,943.13
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Turf Care	546130-53902	\$2,474.38
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Turf Care	546130-53902	\$2,916.18
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Grounds	546037-53902	\$1,699.50
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Shrub Care	546131-53902	\$8,961.56
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Trees and Trimming	548099-53902	\$1,592.93
001	52735	07/27/12	LUKE BROTHERS INC.	1206-94128	MTHLY LAWN SERVICE-JUNE	R&M-Grounds	546037-53902	\$800.00
001	52725	07/12/12	RENTAL WORLD OF ST CLOUD	02-152451-01	PRESSURE WASHER REPAIR	R&M-Equipment	548022-53910	\$40.00
001	52738	07/27/12	ROBERTS POOL SERVICE & REPAIR	07012	POOL MAINT-JULY	R&M-Pools	546074-53910	\$1,600.00
001	52726	07/12/12	SOUTHERN PARK AND PLAY SYSTEMS INC	8839	SPORTSPLAY SINGLE POST SWING	Misc-Contingency	549900-53910	\$1,304.00
001	52737	07/27/12	SPIES POOL LLC	238289	POOL SUPPLIES	R&M-Pools	546074-53910	\$332.00
001	52737	07/27/12	SPIES POOL LLC	238290	POOL SUPPLIES	R&M-Pools	546074-53910	\$195.00
001	52737	07/27/12	SPIES POOL LLC	238136	POOL SUPPLIES	R&M-Pools	546074-53910	\$262.60
001	52737	07/27/12	SPIES POOL LLC	238134	POOL SUPPLIES	R&M-Pools	546074-53910	\$240.75
001	52738	07/27/12	WALKER TECHNICAL SERVICES	1034	MAX-COM MONITORING JULY	R&M-Irrigation	546041-53902	\$250.00

Harmony
Check Register by Fund
For the Period from 7/1/2012 to 7/31/2012
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
001	52719	07/10/12	MARK W. LEMENAGER	PAYROLL	July 10, 2012 Payroll Posting			\$188.70
001	52720	07/10/12	RAYMOND D. WALLS, III	PAYROLL	July 10, 2012 Payroll Posting			\$188.70
001	52721	07/10/12	ROBERT D. EVANS	PAYROLL	July 10, 2012 Payroll Posting			\$188.70
001	52728	07/17/12	STEVEN P. BERUBE	PAYROLL	July 17, 2012 Payroll Posting			\$188.70
001	52739	07/30/12	MARK W. LEMENAGER	PAYROLL	July 30, 2012 Payroll Posting			\$188.70
001	52740	07/30/12	STEVEN P. BERUBE	PAYROLL	July 30, 2012 Payroll Posting			\$188.70
001	52741	07/30/12	RAYMOND D. WALLS, III	PAYROLL	July 30, 2012 Payroll Posting			\$188.70
001	52742	07/30/12	ROBERT D. EVANS	PAYROLL	July 30, 2012 Payroll Posting			\$188.70
							Fund Total	<u>\$88,844.24</u>

2001 DEBT SERVICE FUND - 201

201	52727	07/16/12	US BANK NATIONAL ASSOC	071212	TRANSFER OF FY 2012 ASSMTS-JUNE 2012	Due From Other Funds	131000	\$58,357.28
							Fund Total	<u>\$58,357.28</u>

Total Checks Paid	<u>\$147,201.52</u>
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7c

HARMONY CDD LOG

DATE	CONCERN	LOCATION	ACTION TAKEN	STATUS	NAME	PHONE
4/5/2012	splash pad not working	Lakeshore Pavilion	rests every 15 minutes	Complete	Dan Miller	407-892-5380
4/6/2012	missing brick in small dog park		Repaired	TH	Kerul Kassel	
4/6/2012	stake of double gate is bent	dog wash area in large dog park	Repaired	TH	Kerul Kassel	
4/17/2012	states family living in camper	Primrose Willow	no camper found, Gary wrote resident	Complete	Rich McElhinny	
4/20/2012	landscapers killed sod when spraying	3539 Clay Brick		Complete	Victor Hernandez	
4/25/2012	happy that landscapers mowed all CDD prop.	3320 Bracken Fern	pond area mowed completely	Complete	Randy Odden	
4/30/2012	pool not a good area for newspaper vendor		Relocated	Complete	Chad	
5/7/2012	dead tree	7106 Indiagrass	may replace but not concrete edging	Pending	Kathy Murdoch	407-556-3253
5/8/2012	playground fence removed??	lakeshore playground	board approved in April	Complete	Kerul Kassel	
5/16/2012	wasps in doggy pot	pocket park on Needlegrass		Complete	Dave Leeman	201-706-0244
5/17/2012	2 large holes under fence (armadillo)	big dog park by shell path		Complete	Dave Leeman	
5/18/2012	CDD bahia is dead--no irrigation	golf course	Board should discuss improvements	TH	Brock	
5/22/2012	vandalism at pool--spray paint	main pool by restaurant	No issues found	Complete TH	Nicole Burda	407-697-1676
6/12/2012	dog wash pipe broken	new fountain	Repaired	Complete TH	Kerul Kassel	
6/12/2012	chaos at pool, unhappy with Thomas	Ashley Park Pool	ST reviewing	TH	Nancy Romano	407-932-8140
6/12/2012	frustrated with swimming activities			Complete TH	Helen McKelvy	407-493-9786
6/12/2012	easement needs mowing	7021 Five Oaks	Rain delayed, corrected	Complete TH	Karen/Melrose	
6/21/2012	concern about teenagers smoking pot	Townhouse pool	Advised resident to call Sheriff	Complete	Linda D.	407-892-4559
6/25/2012	sign bent by landscaper mowing	large dog park	Replaced	Complete TH	Randy Odden	
7/5/2012	sidewalk is raised	3312 Pond Pine	Marked area with caution paint	TH	Gerhard Van der snel	
7/6/2012	splash pad not working	lakeshore pavilion	Pump failure, replacement ordered	TH	Ray Walls	
7/6/2012	resident abused at pool, teens forced entrance	Ashley Park Pool	Advised resident to call Sheriff	Brenda	Nicole Burda	407-697-1676
7/9/2012	broken sprinkler, gushing 10'	3327 School House Rd	Repaired	TH	Dave Leeman	
7/9/2012	broken pipe	3328 Catbrier Lane, Long Park	Repaired	TH	Dave Leeman	
7/19/2012	fountain doesn't work	Ashley Park Pool	Pending Repair	Pending	Catherine Bordes	
7/19/2012	wasps in doggy pot	Oak Glen (near pocket park)	Sprayed and removed nest	TH	Dave Leeman	201-406-0244
7/23/2012	vandalism to shade structure	Lakeshore Pavilion	Temp Repair/Needs Replaced	TH		
8/15/2012	sprinkler system gushing	Schoolhouse Road/estate homes	Repaired	TH	Kerul Kassel	

7D

Harmony CDD
Website Statistics as of August 20, 2012
(counter setup March 25, 2011)

OVERVIEW

• Total Visitors:	3,361	• Visitors, July:	334
• Total Page Views:	26,872	• Page Views, July:	2,738
• Total Spiders:	20,429	• Visitors, August:	233
• Total Feeds:	1,066	• Page Views, August:	1,439

OPERATING SYSTEMS

• Windows XP:	6,991	• Windows Server 2003:	439
• Windows 7:	4,356	• iPad:	371
• Windows Vista:	1,238	• Mac OS X Lion:	275
• MAC OS X Snow Leopard:	809	• Android Linux:	241
• iPhone:	679	• Windows 2000:	238

BROWSERS

• Mozilla:	8,340	• Internet Explorer 9:	1,748
• Internet Explorer 8:	3,075	• Firefox:	1,604
• Internet Explorer 7:	2,275	• Google Chrome:	1,424
• Internet Explorer 6:	2,274	• Firefox 3:	1,407
• Safari:	2,138	• Opera:	250

SEARCH ENGINES

• Google:	935	• Ask:	8
• Yandex:	82	• Incredimail:	1
• Yahoo:	70	• Dogpile:	1

TOP PAGES

• Home:	7,439	• Agendas:	710
• /robots.txt	3,306	• About Harmony:	620
• /Public-Records/Agendas:	714		

TOP DAYS

• June 27, 2012	392	• April 4, 2012	289
• June 12, 2012	322	• July 25, 2012	270
• May 7, 2012	307	• April 6, 2012	256

TOP DAYS -- Unique Visitors

• June 30, 2011	70	• March 13, 2012	47
• May 29, 2012	49	• July 23, 2011	46
• July 9, 2011	48	• May 11, 2012	43

TOP DAYS -- Page Views

• June 27, 2012	340	• April 4, 2012	188
• June 12, 2012	208	• June 30, 2011	187
• July 25, 2012	202	• May 29, 2012	184

LAST PAGES

<u>Date</u>	<u>Page</u>	<u>OS</u>	<u>Browser</u>
• August 20, 2012	/Public-Records/Minutes		Mozilla
• August 20, 2012	/robots.txt		Mozilla
• August 20, 2012	Home		
• August 20, 2012	/Public-Records/Agendas		Mozilla
• August 20, 2012	/robots.txt		Mozilla
• August 20, 2012	/District-Facilities/Landscaping		Mozilla
• August 20, 2012	/www.harmonycdd.org/category/uncategorized		Mozilla
• August 20, 2012	/robots.txt		Mozilla
• August 20, 2012	/robots.txt		Mozilla
• August 20, 2012	/District-Facilities/Irrigation		Mozilla

TOP SEARCH TERMS *(shown as typed in the search engine)*

• Harmony CDD	300	• harmony+cdd.org	7
• harmonycdd.org	122	• harmony cdd celebration	6
• harmony community development district	66	• harmony golf preserve notice of interest 2012	6
• harmony fl cdd	49	• harmony, fl cdd	6
• www.harmonycdd.org	35	• admin@harmonycdd.org	5
• harmony florida cdd	35	• harmony community water problems	5
• harmonycdd	23	• cache:6MgNJucPNAoJwww.harmonycdd.org/harmony fl	5
• Harmony logo	14	• CDD harmony fl	5
• cdd stories	10	• cdd harmony florida	5
• cdd harmony	8		
• harmony community school florida	7		

LATEST SEARCH TERMS *(shown as typed in the search engines)*

- August 19, 2012 cdd easement maintenance
- August 17, 2012 harmony cdd
- August 16, 2012 harmony cdd
- August 16, 2012 harmony community development florida august 2012
- August 16, 2012 harmony golf preserve notice of interest 2012
- August 16, 2012 harmony golf preserve notice of interest 2012
- August 16, 2012 harmony golf preserve notice of interest 2012
- August 16, 2012 harmony golf preserve notice of interest 2012
- August 16, 2012 harmony golf preserve notice of interest 2012
- August 16, 2012 harmony golf preserve notice of interest 2012

LAST REFERRERS ****new****

<u>Date</u>	<u>URL</u>
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7E

**NOTICE OF MEETINGS
HARMONY
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Harmony Community Development District will hold their meetings for Fiscal Year 2013 at 7251 Five Oaks Drive, Harmony, Florida on the last Thursday of each month as follows unless otherwise indicated:

October 25, 2012 – 6:00 P.M.
November 29, 2012 – 9:00 A.M.
December 20, 2012 – 6:00 P.M.
January 31, 2013 – 9:00 A.M.
February 28, 2013 – 6:00 P.M.
March 28, 2013 - 9:00 A.M.
April 25, 2013 – 6:00 P.M.
May 30, 2013 – 9:00 A.M.
June 27, 2013 – 6:00 P.M.
July 25, 2013 - 9:00 A.M.
August 29, 2013 - 6:00 P.M.
September 26, 2013 – 9:00 A.M.

The meeting is open to the public and will be conducted in accordance with the provision of Florida Law for Community Development Districts. The meeting may be continued to a date, time, and place to be specified on the record at the meeting.

There may be occasions when one or more Supervisors will participate by telephone. At the above location there will be present a speaker telephone so that any interested person can attend the meeting at the above location and be fully informed of the discussions taking place either in person or by telephone communication.

In accordance with the provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Management Company, Severn Trent Services at (954) 753-5841 at least two (2) calendar days prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at (800) 955-8770 for aid in contacting the District Management Company.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Gary L. Moyer
District Manager

Eighth Order of Business

8A*i*

HARMONY COMMUNITY DEVELOPMENT DISTRICT
STORAGE COMPOUND PERMISSIVE USE AGREEMENT

THIS AGREEMENT is made as of the 13th day of August, 2012 between BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP ("Owner") whose address is 3500 Harmony Square Drive West, Harmony, Florida 34773, attn: Shad Tome and HARMONY COMMUNITY DEVELOPMENT DISTRICT ("Tenant" or "District") whose address is 610 Sycamore Street, Suite 140, Celebration, Florida 34747, attn: Gary L. Moyer.

FINDINGS AND DETERMINATIONS:

A. Owner is the owner of the real property described in Exhibit "A" attached to and made a part of this Agreement (the "Property") comprising .25 acres, more or less.

B. Tenant desires to acquire the exclusive privilege of using the Property for the purpose of placing a storage pod, and staging of maintenance equipment and supplies necessary to perform the duties and responsibilities of the management of District infrastructure.

C. Owner desires to make the Property available to Tenant upon the terms and conditions hereinafter described.

AGREEMENT, DUTIES OF PARTIES, MISCELLANEOUS PROVISIONS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. The above findings and determinations are true and correct and are hereby incorporated in this Agreement.

2. Unless terminated sooner as provided herein, Tenant shall be permitted to use the Property for the above stated purpose from the date of this Agreement set forth above through September 30, 2014. Thereafter, Tenant shall have the right to extend this Agreement on a yearly basis for two additional twelve (12) month terms upon mutual agreement of the parties.

District shall not use the Property for any other purpose except the purpose set forth in paragraph 3 of this Agreement below. Owner shall have the right to terminate this Agreement without cause, effective upon written notice thereof to Tenant. Such notice of termination shall be sent not less than sixty (60) days prior to the date upon which such termination becomes effective.

3. The use to be made of the Property hereunder by Tenant, and Tenant's District Manager, Tenant's agents and Tenant's independent contractors, shall at all times be in full compliance with all applicable federal, state and local laws and ordinances, as well as all rules and regulations of SFWMD and DEP or any other body having authority to make rules and regulations concerning the subject property and the Property's Conservation Plan as promulgated and amended from time to time by Owner and its Environmental Consultants.

4. Tenant covenants that upon passing through any gates or gaps in any fences located on the Property, it shall leave such gates or gaps open or closed as found and locked or unlocked as found. Provided, however, that all external gates on the perimeter of the Property shall be maintained closed and locked. Tenant shall not cut or create new gaps in any fencing.

5. Tenant must furnish Owner with the names and vehicle identification of all of its independent contractors' vehicles prior to such independent contractor of Tenant entering on the Property. All of Tenant's agents and independent contractors shall be fully informed by Tenant of the provisions of the Agreement. Tenant shall be responsible for acts or omissions of its independent contractors while on the Property. A breach of any covenant or provision of this Agreement by Tenant, Tenant's Manager, or Tenant's independent contractor(s), shall be deemed a breach of this Agreement by Tenant. In addition to all other remedies available hereunder to Owner, in such circumstances, Owner may at its option, revoke the privilege given to Tenant to enter onto the Property.

6. Tenant shall, when on the Property, do its best to be on the lookout for any trespassers and poachers and shall at all times cooperate with and assist all proper authorities, Owner and its Environmental Consultants in the enforcement and prosecution of all laws, rules and regulations.

7. Owner reserves for itself, its agents, successors and assigns all rights of ownership in the Property, and all other uses of the Property that do not prevent Tenant's use of the Property as previously outlined. Tenant agrees to permit such activity by the Owner without interference.

8. Tenant shall not construct improvements of any kind on the Property nor erect, establish or permit any tent, trailer, cage or other structure or equipment to remain on the Property without the prior written consent of Owner. Any such improvements or equipment, other than personally which is easily separable from the Property without damage of any kind to the Property, that may have been consented to by Tenant shall become the property of Owner upon the termination, for any reason, of this Agreement.

9. Tenant covenants not to commit waste on or damage to the Property, not to engage in any illegal or nuisance activities thereon, and Tenant will use due care to prevent others from doing so. Tenant shall remove all trash, paper, bottles, cans and containers brought onto the Property. Tenant covenants not to cut or remove from the Property timber, plants, stump wood, minerals or any other items.

10. Tenant, and Tenant's manager, agents, and independent contractors, jointly and severally, agree to indemnify, defend and hold Owner harmless from and against any and all liabilities, claims, costs and expenses of every kind and nature (including, without limitation, reasonable attorneys' fees and court costs, damages and interest expense) arising from or growing out of the use and/or occupancy of the Property or a breach of this Agreement by Tenant or employees, agents or contractors. Tenant and its employees, agents and contractors expressly waive any and all claims against Owner for damages or injury that may arise under or result from this Agreement or any use of the Property or a breach of this Agreement by Tenant or

its Manager, agents or contractors. Tenant and its employees, agents and contractors expressly waive any and all claims against Owner for damages or injury which may arise under or result from this Agreement or any use of the Property by Tenant, Owner or any other person whomsoever including, but not limited to, other licensees of Tenant and employees, agents and contractors. Tenant and its employees, agents or contractors hereby release Owner from liability for any such claim.

11. Tenant and its employees, agents and contractors shall not incur any indebtedness giving a right to a lien of any kind upon the Owner's interest or Tenant's interest in and to the Property. Owner's interest shall not be subject to liens for improvements made by Tenant on the Property. In the event liens are filed due to improvements made by Tenant, Tenant shall immediately discharge any such lien by payment of the underlying claim or by appropriate bond.

12. Tenant and its independent contractor shall, at all times during the term of this Agreement, carry public liability insurance, with a company reasonably acceptable to Owner in the minimum amount of \$1,000,000/\$50,000 naming Owner as an additional insured, specifically including coverage against loss or claims which might arise out of Tenant's activity as provided for by this Agreement, and containing a contract liability endorsement sufficient to effect coverage in favor of Owner of the indemnity and hold harmless provisions of this Agreement. Within ten (10) days of the execution hereof, Tenant shall deliver to Owner a Memorandum of Insurance and Certificate of coverage from such company showing the appropriate coverage and providing that such insurance will not be cancelled without giving Owner at least ten (10) days prior written notice.

13. Upon material default or breach of any covenant or provision of this Agreement by Tenant or its employees, Owner shall have the immediate right to terminate this Agreement, effective upon written notice thereof to Tenant. Tenant shall be liable for and shall pay to Owner all costs including reasonable attorneys' fees and court costs, that may incurred by Owner in

enforcing the covenants and provisions of this agreement, including, but not limited to, costs of removing Tenant from the Property upon Tenant's default or breach and costs performing items such as maintenance or payment of insurance premiums which this Agreement provides shall be paid and performed by Tenant.

14. The enforceability of any provision of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement.

15. This Agreement sets forth all agreements and understandings between the parties hereto concerning the Property and there are not other oral or written agreements, representations, covenants, conditions or understandings between them other than as are set forth herein. It is further agreed that no subsequent amendments or additions to this Agreement shall be binding upon Tenant unless in writing and signed by an authorized representative of Owner.

16. This Agreement is intended to be governed by the laws of the State of Florida, and in construing any provision hereof, the singular shall be held to include the plural, the plural shall include the singular, and the use of gender shall include any other and all genders.


17. The covenants of this Agreement shall not be deemed to run with the title to the Property.

18. Any notice required to be given pursuant to this Agreement shall be in writing and deemed delivered when deposited in the U.S. Mail, registered postage prepaid, return receipt requested and addressed to the parties at the addresses which appear first above, or at such other address as may hereafter be designated by written notice to the other party.

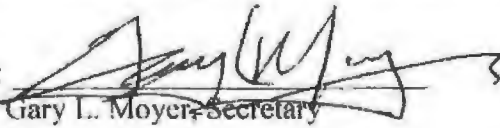
19. The prevailing party in any litigation, including appellate proceedings, which arises out of this Agreement, shall be entitled to recover from the other party reasonable attorneys' fees and costs.

EXECUTED as the day and year first above written.

"OWNER"
BIRCHWOOD ACRES LIMITED PARTNERSHIP, L.L.P.

By: 
Shad Tome, Vice President

"TENANT"
HARMONY COMMUNITY DEVELOPMENT DISTRICT

By: 
~~Gary L. Moyer, Secretary~~

"TENANT'S" SUBCONTRACTOR
Davey Commercial Grounds Maintenance, a division of the
Davey Tree Expert Company

By: 
Garth Rinard, Branch Manager

EXHIBIT "A"

PERMISSIVE USE AGREEMENT



8Aii



Map
Traffic

- X REMOVE
- ☒ PRUNE
- ↓ TRANSPLANT
- M MAGNOLIA
- O OAK
- P PINE

100 ft
20 m



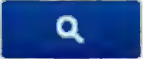
Map
Traffic

X REMOVE
P PINE

100 ft
20 m

Google

Harmony, FL



Map
Traffic

100 ft
20 m