

**MINUTES OF MEETING  
HARMONY COMMUNITY DEVELOPMENT DISTRICT**

The budget meeting of the Board of Supervisors of the Harmony Community Development District (“CDD” or “District”) was held Thursday, May 25, 2025, at 4:30 p.m. at Su Mesa Café, 7250 Harmony Square Dr S, St. Cloud, FL 34773.

Present and constituting a quorum were:

Daniel Leet	Chairman
Lucas Chokanis	Vice Chairman
Julie Williams	Assistant Secretary
Jo Phillips	Assistant Secretary
Brittney Coronel	Assistant Secretary

Also present,

Joseph Gonzalez	District Manager, Inframark
Kyle Goldberg	Field Inspection Coordinator, Inframark
David Hamstra	District Engineer, Pegasus Engineering
Jose Pabon	Field Supervisor, Inframark
Howard Neal	Field Services Director, Inframark
Kyle Goldberg	Field Inspection Coordinator, Inframark
Angel Montagna	Vice President of District Services, Inframark
Residents and Members of the Public	

*This is not a certified or verbatim transcript but rather represents a recap of the discussions and actions taken at the meeting. The full meeting recording is available in audio format upon request. Contact the District Office for any related costs for an audio copy.*

**FIRST ORDER OF BUSINESS                      Call to Order and Roll Call**

Mr. Leet called the meeting to order at 4:30 p.m. and a quorum was established.

**SECOND ORDER OF BUSINESS                      Audience Comments**

There were no audience members present.

**THIRD ORDER OF BUSINESS                      Discussion of Fiscal Year 2026 Preliminary Budget**

Ms. Montagna informed the Board that they have the option to reduce the budget if they believe any of the amounts should be adjusted. Ms. Montagna noted that there is currently a 13.2% increase in the operations and maintenance (O&M) portion of the budget, resulting in an overall increase of 7.1%.

Mr. Gonzalez explained to the Board that an additional line item was included in the budget specifically for security services. Mr. Gonzalez stated that approximately \$100,000 was allocated to ensure sufficient funding for anticipated security costs. Mr. Gonzalez confirmed that, with this allocation, the current budget reflects a 13.2% increase.

Ms. Montagna asked the Board whether they had discussed an acceptable tolerance level for the budget increase. Ms. Montagna noted that the O&M portion reflects a 13.2% increase if the \$100,000 allocation for security remains in place, which is the primary driver of the increase. Ms. Montagna further clarified that while the O&M increase is 13.2%, the overall budget increase is 7.1%, which includes the debt service portion. Ms. Montagna emphasized that the debt portion remains unchanged, as the District is not undertaking any bond refinancing or additions. Ms. Montagna added that the opportunity to refinance bonds, which had been presented months earlier, is no longer available.

Ms. Montagna summarized that external factors in the bond market over the past two months have essentially derailed the proposed refinancing the District had hoped to pursue. Ms. Montagna noted that the current interest rate is very favorable, which previously enabled a successful refinancing when she was involved a few years ago. However, that advantageous rate is no longer available, making a new refinancing financially impractical at this time, as it would not result in meaningful savings. Ms. Montagna added that while there may be other options to explore in the future, such refinancing cannot be considered for the current budget.

Ms. Montagna explained that the current overall increase is 7.1%, but if the Board were to remove the \$100,000 allocated for security services and decide not to proceed with that line item, the overall increase would be reduced to 5.1%. This adjustment would also reduce the O&M increase to 9.5%. Ms. Montagna clarified that the 9.5% pertains strictly to O&M, while the 5.1% reflects the total increase inclusive of bond debt.

Ms. Phillips asked for clarification regarding the landscaping portion of the budget, noting that it is a contracted amount that increases at a predictable rate each year. Ms. Phillips also pointed out that even with the large security line item removed, there appears to be a 260% overage in the budget for maintenance of the grass and alleyways.

Ms. Montagna asked the Board what specific drivers contributed to the 9% baseline increase in the O&M portion of the budget. She began by reviewing the administrative category, noting moderate increases rather than major drivers. Professional engineering services increased from \$70,000 to \$75,000, legal services from \$60,000 to \$75,000, and management fees rose by 3%, from \$73,468 to \$75,000. Insurance costs increased slightly from \$27,000 to \$29,700. Overall, the administrative budget increased from approximately \$345,000 to \$373,000.

Ms. Montagna then turned to the field operations component, which she noted included a few options the Board would need to consider. The mulch line item remained unchanged. Landscaping services showed an assumed 3% increase, rising from \$746,000 to \$768,000.

77 Including additional services, the total landscaping-related costs increased from \$957,000 to  
78 \$980,000. Utilities rose from \$402,000 to \$428,000. The line item for roads and alleyways  
79 increased significantly from \$2,000 to \$10,000. Parks and facilities rose from \$45,000 to \$55,000.

80 Mr. Leet asked whether there was a way to view the baseline percentage increases applied  
81 to these line items and what factors contributed to those increases.

82 Ms. Montagna explained that the increases in the budget are largely based on historical  
83 spending trends, specifically, how the District has ended each fiscal year in various categories. Ms.  
84 Montagna noted that in some areas, the District may have consistently overspent, and to Mr. Leet's  
85 earlier point, the Board may not have realized the extent of that overspending at the time. However,  
86 the Board may have chosen to leave certain line items unchanged in previous years to avoid  
87 imposing a significant increase on residents or for various other reasons.

88 Ms. Montagna further clarified that many of the contractual services include built-in annual  
89 escalations, which naturally drive costs up each year. In addition to these contractual escalations,  
90 budget adjustments are also informed by spending patterns observed over recent fiscal periods.

91 Ms. Montagna noted that material cost increases may also contribute to budget changes.  
92 She reminded the Board that this is the District's budget and, while a few members may be new to  
93 the budget process, the role of staff is to research and present the necessary information for the  
94 Board's consideration.

95 Ms. Montagna explained that in developing the budget, she reviews spending trends and  
96 how the District has ended each fiscal year, typically looking back about three years to identify  
97 areas of historical overspending. Based on this analysis, she presents recommendations to the  
98 Board, who then have the authority to review, discuss, and make final decisions. Ultimately, the  
99 Board determines the budget, and any line item can be adjusted as they see fit.

100 Ms. Coronel stated that she was a bit confused by the budget variance, noting that many of  
101 the line items appeared to show a zero variance. In response, Ms. Montagna clarified that what  
102 Ms. Coronel was seeing was likely due to the way the document was formatted when it was sent  
103 out. She explained that there is a projections column located to the right of the budget, but it may  
104 not be visible in the PDF version provided to the Board.

105 Ms. Montagna further noted that the document allows users to toggle between "budget"  
106 and "actuals," and it appeared that everything was set to display the budget figures, which is why  
107 the variance showed as 0%. For example, she pointed out the R&M Pools line item, which has a  
108 \$60,000 budget, to illustrate how this might appear differently depending on the view settings.

109 Ms. Montagna explained that if the view is changed to reflect actuals, it would show that  
110 \$24,026 has already been spent in the R&M Pools line item, based on current projections.

111 Ms. Coronel responded by noting that these projections are not necessarily concrete. Ms.  
112 Coronel explained that projections are calculated by taking the current level of spending and  
113 assuming that same rate continues each month, which may not accurately reflect how funds will  
114 actually be used by year-end.

115 Ms. Montagna agreed and emphasized that projections are not the most reliable tool for  
116 building a budget. Ms. Coronel acknowledged the point and indicated she understood the  
117 distinction.

118 Ms. Montagna reiterated that in order to evaluate true spending trends, the Board must look  
119 at historical financials from previous fiscal years, specifically from October 1 through September  
120 30. She explained that financials are finalized and submitted to auditors as of September 30 each  
121 year, though they are often officially closed out in October or November to account for any final  
122 transactions. The current budget workbook, she emphasized, does not provide trend data—it only  
123 reflects projections based on current-year activity.

124 Ms. Montagna explained that the workbook calculates projections by assuming that  
125 whatever has been spent thus far will continue at the same rate each month. This method does not  
126 account for one-time expenditures like auditing services, which are typically paid once annually.  
127 Ms. Montagna added that relying on these projections can be misleading when trying to determine  
128 year-over-year trends.

129 Ms. Coronel acknowledged the explanation but expressed concern that, despite  
130 understanding the process, the current projections still seemed overly simplistic. Ms. Coronel  
131 noted that at the last budget meeting, actuals were missing, and the following meeting was  
132 canceled. Now, at the current meeting, Ms. Coronel felt that the numbers appear to be based on  
133 base-level math: the projected spend appears to simply be the difference between what has been  
134 spent and the total budgeted amount. Ms. Coronel expressed difficulty in seeing how actual  
135 historical trends were informing the numbers presented.

136 In response, Ms. Montagna explained again that the figures the Board is reviewing are set  
137 to show budget values, not actuals, which is why the trends are not visible. Ms. Montagna offered  
138 to switch the view to actuals to help clarify. Ms. Montagna emphasized that the Board should rely  
139 on the financial reports provided in their monthly agendas, where actual expenditures, budgeted  
140 amounts, and projected year-end totals are laid out side by side. For example, Ms. Montagna  
141 referenced the legal advertising line item, which was budgeted at \$1,200. Actuals through March

were \$225, with a projection of \$229 more, totaling \$454 well under budget by 62.19%. This figure was visible only when viewing actuals.

Ms. Montagna then referenced the \$105,000 line item that had previously been set aside for invasive species removal, a project originally initiated when Ms. Teresa served as Chair. At that time, the Board hired Aquatic Weed Management to address issues identified in a SWFWMD inspection. That allocation had not yet been spent because it was reserved in case the project needed to be repeated. Ms. Montagna noted that Ms. Kathryn Bowman occasionally conducts inspections and may soon provide a report to the Board, which could indicate whether those funds are still needed. Ms. Montagna added that the project last cost approximately \$94,000, and the original \$105,000 allocation was increased from the \$54,800 budgeted in FY2023. As of September 30, 2024, only \$5,050 had been spent, leaving a large portion of that line item unutilized. Ms. Montagna concluded by suggesting that the Board could either retain that amount in the budget or seek updated input from Ms. Bowman to determine if the funds could be reallocated.

Ms. Montagna recalled that the Board previously chose not to proceed with the invasive treatment project after completing it once. At that time, the decision was made to leave the allocated funds in the budget in case future treatments were needed. Because the project was not executed that fiscal year, the unused funds either rolled into reserves or were used to offset overages in other budget line items.

Mr. Leet acknowledged the update and noted Mr. Hamstra's presence, stating it was good to see him again. Mr. Leet asked whether Mr. Hamstra was aware of when the District last received a report from the consultant. Mr. Hamstra responded that he believed the last report was issued around a major month last year, possibly suggesting a peak season, and noted that the consultant had recently reached out to his office.

Ms. Montagna noted that the consultant had likely gathered information recently in order to compile a report for submission to the South Florida Water Management District. Ms. Montagna added that in Fiscal Year 2023, the District spent \$54,800 on the invasive species treatment project.

Mr. Leet asked for confirmation that the amount had dropped significantly from the previous year. In response, Mr. Hamstra explained that the \$5,000 recorded in the current fiscal year was most likely used by Brad to purchase chemicals for routine spraying, which he performs throughout the year. Mr. Hamstra reminded the Board that while a contracted company was brought in previously for a large-scale invasive treatment, ongoing maintenance has continued under Brad's supervision to prevent regrowth. Mr. Hamstra suggested that it may soon be time to

175 consider another large-scale treatment, though he could not confirm whether \$105,000 was the  
176 appropriate figure for that purpose.

177 Mr. Hamstra emphasized that the final amount allocated is ultimately up to the Board,  
178 whether it be \$20,000 or \$100,000, and the contractor would perform services based on whatever  
179 level of funding the Board authorizes. Mr. Hamstra concluded by remarking that the budgeting  
180 process might be more straightforward if it did not involve so many individual line items.

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182 **FOURTH ORDER OF BUSINESS** **Supervisor Requests**

183 There were no requests at this time.

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185 **FIFTH ORDER OF BUSINESS** **Adjournment**

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187 On MOTION by Mr. Leet, seconded by Ms. Williams, with all in  
188 favor, the meeting adjourned at 6:00 p.m.

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DocuSigned by:

*Jennifer Goldyn*

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192 Secretary/Assistant Secretary

Signed by:

*D. K.*

Chairman/Vice Chairman