

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, June 5, 2018 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida.

Present and constituting a quorum were:

Gary Cross	Chairman
Grant Krueger	Vice Chairman
Kelly Hermening	Supervisor
Chris Payton	Supervisor
Bobby J. Poole	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
Keith Hadden	District Engineer
Michelle Kim	Hopping Green & Sams
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Corey Hamlin	Century Golf Partners
Josh Heintzman	Century Golf Partners
Kristie Coates	Century Golf Partners
Dan Steiner	Century Golf Partners
Alan Slaughter	Century Golf Partners
Ernesto Torres	GMS, LLC

The following is a summary of the actions taken at the June 5, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:30 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 8, 2018 Meeting

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the minutes of the May 8, 2018 meeting were approved as presented.

Mr. Payton joined the meeting during this item.

FOURTH ORDER OF BUSINESS

Ratification of Boundary Amendment Agreement

Ms. Buchanan stated the developer and staff have not been able to come up with the final form of agreement. The developer was not interested in the bond requirement relating to the \$500,000 but upon further conversation it seems like he intends to fund that \$500,000 project with bond proceeds that would be funneled through the district so they would be under our control. That may alleviate the issue but before we were able to move forward I asked for information related to the proposed assessments and how the bonds would actually work and we will update it after that.

Mr. Payton brought up concerns expressed by residents that the 162 homes to be built in the West Bank area would be a burden on existing amenities and after board discussion Mr. Poole was authorized to work with staff on an FAQ to educate residents on the details of the boundary amendment.

FIFTH ORDER OF BUSINESS

Discussion of Options and Costs for Repair of Waterfall Entry Feature

Mr. Andersen outlined problems experienced with the waterfall/fountain, pond and vault and discussed potential solutions to repair the waterfall/fountain and after discussion staff was directed to come back to the continued meeting with a more detailed range of options and cost estimates.

SIXTH ORDER OF BUSINESS

Board Review and Ranking of Onsite Management Services Proposals

Mr. Oliver stated we went out to RFP for four different management services and the deadline was March 29, 2018. We received proposals from 13 companies with 18 different proposal packages and some proposals were for multiple services. You reviewed paper proposals

and eliminated three companies from further consideration. We held interviews on April 30th and May 1st and you eliminated another three companies, with seven remaining. Still included were the two incumbents, Eagle Landing Amenities Management (ELAM) and Century Golf Partners Management (CGPM). You requested additional information from six companies, including CGPM for an umbrella management of all assets in the district to include amenities. The proposal you asked from Hampton Golf would be for golf, food and beverage not amenities. The deadline was last week and you received both email and hard copy the additional information you requested from those six companies.

Tonight is board review of proposals and consensus at tonight's meeting. Some proposers may be eliminated from further consideration and remaining proposers may be invited for a second round of interviews. After those interviews, the Board may rank the remaining firms. The top ranked firm or firms will be asked to negotiate with the district to reach agreement for services and if we are unable to reach agreement then the next highest ranked firm will enter into negotiation. Based on the timeline of where we are now, we hope to make a final selection in late June or early July so we can incorporate that into the budget process.

The vice chair has compared the financials for the golf firms and for the three out years he has shown what the numbers are for each of the four golf firms including the bottom line net income.

The board discussed the additional information received from the proposers and took the following action.

On MOTION by Mr. Poole seconded by Mr. Cross with all in favor the short list of proposers for onsite management services is: Troon, Billy Casper, Evergreen and Hampton.

Mr. Oliver stated we are talking about four firms and last time you allotted 90 minutes per session and I would think this time longer, at least 2-hour windows and you could do this in one day if that is what you want to do. I looked at my calendar but have not yet contacted any of the firms and we could do it two weeks from today and as a fallback three weeks from today and if it is three weeks we will notice that meeting. At the end of this meeting. I recommend we continue to a time and date certain.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2018-05
Approving the Proposed Budget for Fiscal
Year 2019 and Setting a Public Hearing Date
for Adoption**

Mr. Oliver gave an overview of the budget process, reviewed the line item changes, and stated we will reformat the budget if there is something you want the budget to reflect differently for FY19. The budget is made up of five different funds, general fund, recreation fund, capital reserve fund, golf fund and we now have a golf capital reserve fund then the debt service fund for the bonds that were issued in 2016. We will have the RFP process completed prior to adoption of the budget. Based on whether or not the board decides to have an increase, we will send mailed notice to the residents announcing the public budget hearing and proposed increase. By getting the RFP completed in a timely manner, we are going to have enough time to get that mailed notice put together and sent well in advance of the public hearing. The proposed budget reflects no change in assessments for Units 1 – 5 except for the 99 units coming on board for FY19. Of all the units in Phase 5, the Dream Finders tract, half came online in FY18 and the rest will be fully assessed for FY19 and beyond. No developer contributions are in this budget and it has been that way for a couple of years.

The Board discussed an increase in the capital reserves of \$100 per unit and took the following action.

On MOTION by Mr. Cross seconded by Mr. Kreuger with all in favor Resolution 2018-05 approving the proposed fiscal year 2019 budget as amended to add \$100 per unit grossed up contribution to capital reserve fund and setting the public hearing for September 4, 2018 at 6:30 p.m. was approved.

Mr. Cross stated for purposes of the audience, we haven't adopted a budget, we have approved a proposed budget that will be refined over the next couple of months and we will have our public hearing September 4, 2018.

EIGHTH ORDER OF BUSINESS

**Consideration of Claim from Duval
Landscaping**

Ms. Buchanan stated we received a claim for outstanding payment from Duval Landscaping in the approximate amount of \$25,000, we referred to Steve's correspondence with the landscape provider and response to the demand letter. After our response they revised their

claim from \$25,000 to \$12,700 and that amount is inclusive of the month of November as well as Hurricane Irma cleanup in the amount of \$2,400. We gave notice in November, they were still under contract at that time but there was some question as to their level of performance at that time. The decision before you is whether you would like to pay \$12,700 and get a release of claim from them or whether you have a different idea as to how you would like to resolve this matter.

Mr. Cross stated we gave them 30 days notice but we were still contracted with them, they did the services not to our standard but they did the service.

Mr. Kreuger stated litigation is expensive.

Mr. Poole stated we are paying them for the month and there is a small amount for hurricane cleanup.

Mr. Payton stated Tree Amigos started in December and we budgeted this amount so I don't have a problem.

Mr. Hermening asked what did they do about the hurricane cleanup and who authorized it?

Ms. Buchanan stated as I understand it that is part of the problem. It seems that staff is of the opinion that they did less than they claimed to do and it wasn't specifically authorized, which is a requirement of the contract.

Mr. Hermening asked why don't we pay them for the month and pull the \$2,400 out?

Ms. Buchanan stated you can and if they file a claim for suit you are going to burn it quickly in legal fees.

ON MOTION by Mr. Cross seconded by Mr. Poole with four in favor and Mr. Hermening opposed a settlement with Duval Landscaping in the amount of \$12,700 was approved.

NINTH ORDER OF BUSINESS

Golf Update

A. Operational Update

Mr. Hamlin reviewed in detail the financials for the golf operations, types of rounds played, pro shop and food and beverage.

B. Presentation of Lease Options for Replacement of Golf Course Maintenance Equipment

Mr. Hermening stated the total lease payment for the equipment is approximately \$5,800 per month for a five-year lease with a \$1 buyout.

Mr. Slaughter stated there are only two additional pieces of equipment we suggest and one is the sod cutter and the other is a groundsmaster, that will allow you to go around pond banks a lot easier and it takes the place of a four-wheel drive tractor and articulator that we have had since 2005. I received information on Monday that all parts and everything we buy from Toro go up 2 ½% on the 15th and this quote is good through the 17th and that gives us a couple extra days.

Ms. Buchanan stated we have restrictions on selling property. Are we selling property or are we trading in property? There is a \$5,000 cap on how we dispose of property; we have some restrictions. You have to advertise it as surplus equipment.

Mr. Cross stated we are going to approve the lease for the equipment but for the sale of the old equipment we need an extension on the proposal so that we can satisfy the legal requirements.

On MOTION by Mr. Cross seconded by Mr. Kreuger with all in favor the buyout of the old equipment of \$20,600 was approved upon conclusion of a notice period without receiving any higher offers.

On MOTION by Mr. Hermening seconded by Mr. Payton with all in favor the lease for the golf course equipment with the two extra pieces was approved in an amount not to exceed \$6,000.

TENTH ORDER OF BUSINESS

Update Regarding Capital Projects

A. Review of Cost to Complete Schedule

B. Remaining Construction Funds – Obligated and Unobligated

Mr. Andersen stated there is still \$22,069 in the engineer’s report that is not obligated.

Mr. Oliver requested counsel and engineer review their invoices to see if any project charges paid from the general fund or capital reserve fund should be reimbursed from bond proceeds.

Mr. Andersen stated this will all be reconciled and presented at the next meeting.

C. Status of Remaining Projects

Mr. Andersen stated he tennis courts are coming along slowly, we purchased additional outdoor furniture for the golf clubhouse

D. Ratification of Series 2016 A1/2 Requisitions

On MOTION by Mr. Cross seconded by Mr. Kreuger with all in favor the requisitions 54 through 67 for the series 2016 A1/2 bonds were ratified.

ELEVENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Hadden stated I took the existing Eagle Landing and overlaid it with Google on the aerial and I have also shown what is proposed for construction on the Armstrong tract that used to be part of South Village and I also showed the West Bank parcel.

Eagle Landing Phase 5A, which was built in the last year and a half to two years, Dream Finders just called two weeks ago and told me to re-permit 5B and that is about 100 lots that will tie into Royal Pine and Royal Pine will go all the way to the eastern property line of Eagle Landing. They are ready to start construction of Phase 5B as soon as soon as they get all the permits reissued.

Royal Pine will tie into a roundabout that will then connect to the Publix Shopping Center. In the Armstrong portion where there are 500 lots total there are 200 under construction right now. We are designing the next 150 and then the final 150 will probably be two years down the road.

As far as the West Bank site is concerned there is 162 approved lots on the east and west side of Tynes Boulevard abutting Eagle Landing 5. We have designed and submitted the plans for both the east and west side. There are plans for the amenity that is going to go there and the developer talked about building a \$500,000 amenity when this was first discussed and the developer is committed to the \$500,000. What you see is sort of a basis that Paul Lucas of Basham & Lucas has worked up. We are going to bid it and if it comes in less than \$500,000 then we can add things to it such a more tennis courts, more parking, whatever. You will have input into that process.

Mr. Payton asked at what point in that process do you include the board? At some point you are going to commit whatever you have to where utilities are placed and things like that then if you come to the board and we have a completely different idea the utilities are already place.

Mr. Hadden stated I'm stubbing utilities, water and sewer from the south from the east and from the north. All the drainage will go into the pond. You pretty much have everything selected. You can do pretty much what you want to do without being encumbered by that type of thing. The plan you saw had 20 parking spaces and we can go to 40 if the community thought we needed more.

Ms. Buchanan asked what is the next step in the design process? Is it taking that conceptual plan and getting full scale design or is there an in-between step?

Mr. Hadden stated I think Basham & Lucas will do one more iteration of what you have seen then you can pass it on to the community and see if you would like more soccer, tennis or whatever before he goes to hard drawings to permit. We will come up with an engineer's estimate of what that is going to cost and if it is \$350,000 we will add more stuff in there.

Mr. Cross asked at what point do we start using our \$500,000?

Mr. Hadden responded the development is paying for the pond and the utilities that are stubbed on the site but everything internal will be part of that \$500,000.

C. Manager

There being none, the next item followed.

D. Golf Course General Manager

Mr. Steiner gave an overview of the new security cameras and gave an update on repairs to the facility.

E. Director of Aquatics & Recreation

Mr. Biagetti gave an overview of the amenities and stated we have a proposal for repairs to the bridge and we have a quote to repair the components on the bridge and refurbish the two signs. To replace the two signs was \$5,000 each. I'm recommending the second quote to refurbish the signs from Island Paint and More for a total of \$5,130 to make the repairs on the bridge, the rails, plastic decorative pieces.

On MOTION by Mr. Hermening seconded by Mr. Payton with all in favor the proposal from Island Paint for repairs to the bridge and signs in the amount of \$5,130 was approved.

F. Operations Manager

Mr. Andersen gave an overview of the monthly operations report, copy of which was included in the agenda package.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Cross stated people seem to want to beat up the golf course and restaurant on Facebook; that is your restaurant. Can you imagine an owner of McDonalds saying I will never go into McDonalds on Oakleaf again? That is your restaurant if you have a problem call the management or call us but when you go on Facebook it doesn't help anything.

Mr. Hermening asked going back to the discussion on the tennis court, do we have timeline penalties if they don't get done on time?

Ms. Buchanan stated I can go back and check.

Mr. Hermening stated I recommend that we do that on future projects.

Ms. Buchanan stated we do that with the higher cost contracts but I'm not sure we do them on the lower value contracts. I will make it a point to do that in the future.

Mr. Hermening asked on the member cart insurance levels, where did we come up with those numbers?

Ms. Buchanan stated I talked to Kelly about this before, I think they were in forms that we got and frankly and it is a business decision, but we do want Century's buy in as well.

A resident stated getting back to the West Bank property, I think Bobby flagged it. There is a lack of information that has been made available or understood well by the community and I propose that we put out something that says here is what West Bank is, here is what is going to happen, here is the pros and cons and make it public. Less than 1% of the people who live in the community attends these meetings and the minutes are fairly generalized and don't include the kind of details that need to be there. I'm not saying change your decision but let people understand what that decision is.

Mr. Cross stated Bobby can work with staff and get that out.

Mr. Oliver stated we can certainly lay out the deal points, but we can't make it a promotional document. We are not here to sell the project.

A resident stated cosmetics and housekeeping. The breezeway itself and the corridor that leads to the entrance to the restaurant is that going to be cleaned up and painted?

Mr. Poole stated yes.

A resident stated it is pretty dingy. The set of white doors that lead into the restaurant and bar from the breezeway corridor need to be washed and painted.

Mr. Cross asked Dan will you take a look at that?

Mr. Steiner stated yes.

A resident stated I know that you are not the HOA but we don't have an HOA as most little people would understand an HOA. Four of the five members on the board do not reside in the community. Three weeks ago there was an HOA meeting, Matt was the only attendee and Matt is on the board along with four other people. Fast forward three weeks from the conversation that has gone on and off for a number of years about investing dollars, nothing has been invested yet of our HOA dollars. We are not represented by the HOA it is the developer's HOA.

A resident stated about the upcoming bid discussions I think with you bring the responders you need to provide them some specific questions you expect them to answer. It sounds like you are asking for specific information to be presented to you at the next meeting. If

you don't let them know what you are going to ask them you may catch them off guard and they may not have the information.

Mr. Oliver stated you bring up a good point. I will have those conversations with the four proposers. In this last round of informational request we gave them very specific and detailed questions. I will contact the four companies to tell them that they will be invited back on the 19th, and have them call me so we can schedule the times and have a discussion regarding matters requiring more detail about their specific proposal..Some of the questions that will be specific to one vendor's proposal may not be asked of other proposers because they were more clear on that information point.

FOURTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of April 30, 2018 and Statement of Revenues and Expenses for the Period Ending April 30, 2018

The balance sheet and income statement were included as part of the agenda package.

B. Assessment Receipt Schedule

The assessment receipt Schedule was included as part of the agenda package.

C. Approval of Check Register

On MOTION by Mr. Payton seconded by Mr. Poole with all in favor the check register was approved.

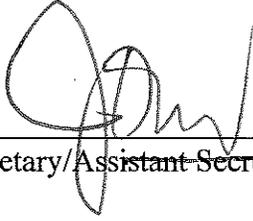
D. Golf Course

A copy of the golf course financials was included in the agenda package.

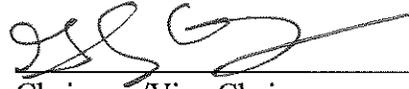
FIFTEENTH ORDER OF BUSINESS Next Meeting Scheduled for Tuesday, July 3, 2018 at 6:30 p.m. at Eagle Landing Residents Club

Mr. Oliver stated the next regular meeting was scheduled for July 3rd, we are going to continue this meeting but I want to point out that last year we moved that to the second Tuesday in July because so many people will be traveling for the 4th of July, if the board is okay with that we will move it.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the meeting was continued to June 19, 2018 at 8:30 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman