

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, November 7, 2017 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
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Corey Hamlin	Regional Manager, CGPM
Dan Steiner	Eagle Landing Golf General Manager
Andy Gaudet	VP of Public & Resort Golf, CGPM
Josh Heintzman	Eagle Landing Golf Professional
Doug Howe	Partner & VP, CGPM

The following is a summary of the actions taken at the November 7, 2017 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 October 3,
2017 Meeting**

THIRD ORDER OF BUSINESS**Approval of the Minutes of the October 3,
2017 Meeting**

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the minutes of the October 3, 2017 meeting were approved.

Mr. Oliver stated at the last meeting the board recognized Matt Biagetti and his staff for the excellent work they did in preparation for Hurricane Irma as well as post-storm recovery efforts in getting the amenity center operational as quickly as possible. Those efforts by residents and staff occurred throughout Eagle Landing. The board directed staff to formally recognize Matt's leadership team for their efforts. Matt provided details regarding the many people involved in the storm preparations and recovery, to include some key leaders and staff listed on the Board's resolution for consideration tonight. . Being the good leader that he is and ensuring all deserving credit are recognized, Matt has provided those names of staff members whos assisted and I want to read them into the record. The following employees helped in resetting the pool deck, athletic center furniture and cleaning debris from common areas and from within the pool: Candace Peacock, Jenson Cash, Michelle Skeets, Autumn Ross, Sarah Compere, Rachel Kreier, Katlyn Casey and Brittany Howard. Also, we want to thank rthe Middleburg High School Swim Team, which collectively secured the majority of the pool deck furniture before the storm. Thanks also for the swift action by several residents throughout the community who helped clear debris from common areas and sidewalks prior to staff getting to them. Matt pointed out that Supervisor Chris Payton, his children and tennis friends helped rehang the windscreens after the storm,. The team leadership in the effort is recognized in this resolution and I will read it in summary rather than the entire resolution.

Resolution 2018-02 a resolution of appreciation on behalf of the South Village Community Development District in appreciation of Eagle Landing employees for their outstanding advance preparation and post-storm response to Hurricane Irma.

Whereas, Matt Biagetti, Karen Done, Sandy White, Rachael Welch, Hally Adams and Joseph Gorden have provided dedicated service as contracted employees providing amenity service to the South Village Community Development District; and

Whereas, Mr. Biagetti, Ms. Done, Ms. White, Ms. Welch, Ms. Adams and Mr. Gorden provided valuable leadership and dedicated service in planning and executing all necessary actions to protect Eagle Landing amenity facilities from damages resulting from Hurricane Irma; and

Whereas, Mr. Biagetti, Ms. Done, Ms. White, Ms. Welch, Ms. Adams and Mr. Gorden immediately took all necessary actions after Hurricane Irma to promptly return the amenity facilities to full operations with the least impact on the convenience of patrons.

Now, therefore, be it resolved that the Board of Supervisors of the South Village Community Development District thanks and commends Mr. Biagetti, Ms. Done, Ms. White, Ms. Welch, Ms. Adams and Mr. Gorden for their service and commitment to the district and the Eagle Landing Community.

Dated this 7th day of November, 2017.

On MOTION by Mr. Cross second by Mr. Krueger with all in favor Resolution 2017-02 was approved.

FOURTH ORDER OF BUSINESS

Update Regarding Eagle Landing Golf and Food & Beverage Operations

Mr. Oliver stated at the last meeting the Board directed staff to prepare a letter for the chairman's signature outlining the Board's disappointment and some of the deficiencies that were occurring at the golf club. That letter was sent to the highest level within the golf management company. We received a thorough and quick response from Doug Howe of Century Golf Partners Management. Cory will introduce his entire team tonight, but they have come here in full force to discuss these deficiencies and we also had a meeting with staff and the chairman to talk about some of these issues.

Mt. Cross stated we sent the letter and got a quick response. There have been some strides forward and I believe we can continue that forward motion. We had a productive meeting last night with staff and myself and we discussed issues in the past and where we wanted to go in the future. I explained our expectations, goals and what we wanted for the community. We have already had some major changes on the staff, which I think is great for us and I want to see us move forward.

Mr. Hamlin stated we acknowledged that we need to make adjustments, which we have done. With me today is Andy Gaudet our Vice President of Public and Resort Golf from our Dallas Office, Doug Howe, our Vice President and partner with Arnold Palmer Golf Management Century Golf Partners and our new G.M. Dan Steiner, who has been with us for about three weeks.

We are improving food and beverage, I have a full marketing plan that we are going to present to you tonight with an emphasis on food and beverage.

Regarding the governmental regulations we had an independent auditor, Everclean, who came in October 25th and did a full risk assessment and we scored 97 out of 100. In addition, they did a food safety inspection report, we scored 97 out 100. We are scheduled sometime in the next 45 days to have another unannounced food and safety inspection from the State of Florida so our Chef Brian Nichol is evaluating that to make sure that we pass the health inspection by the State of Florida. In addition, we had some turnover in our food and beverage manager position and hired a new food and beverage manager, Jamie Jeroshe she starts within 7 to 14 days and she is a certified food manager and we have also certified an additional six employees that have full State of Florida food manager certification, which is a total of eight employees who are food manager certified. Our other employees are front of the house employees and back of the house employees are food handler certified. We have 8 food managers on staff and approximately 12 – 14 food handlers who are certified. We acknowledge that we did not notify the board regarding the health inspection and we corrected that deficiency. We have three people who will be responsible to ensure that we pass the health inspections, Dan Steiner, the club's general manager, food and beverage manager, Jamie Jeroshe, and the chef, Brian Nichol.

Mr. Howe stated we acknowledge the deficiencies and have put a plan in place to correct them and we fully expect to have them compliant going forward, we are putting systems, processes and people in place to make sure that doesn't happen again.

Mr. Biagetti gave an overview of the year end financials.

FIFTH ORDER OF BUSINESS

Discussion of Campaign to Increase Golf Memberships

Mr. Hamlin gave a PowerPoint presentation of the marketing plan prepared for the golf club and restaurant operations.

Mr. Hamlin stated I have a proposal to repair 20 bunkers due to hurricane damage and that would be about \$35,000, we can do all, a little or none of that and we are looking for direction from the board and will revisit with the vendor the four or five that need immediate attention.

ON MOTION by Mr. Hermening seconded by Mr. Cross with all in favor the proposal to repair 20 bunkers in the amount of \$35,000 was approved.

SIXTH ORDER OF BUSINESS

Ratification of Audit Engagement Letter from Berger Toombs Elam Gaines & Frank

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the engagement letter with Berger Toombs to perform the fiscal year 2017 audit in the amount of \$4,475 was ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-01 Amending the Fiscal Year 2017 Capital Reserve Fund Budget

Mr. Oliver stated as part of the preparation for the audit there are certain post-closing activities we need to do and one is Resolution 2018-01 amending the fiscal year 2017 capital reserve budget. Behind the resolution you will see the capital reserve budget and for the year we had \$125,000 of expenditures from that budget and this resolution brings that budget into balance. There was nothing budgeted for FY17 because many of the improvements would be paid first out of the capital funds resulting from issuance of the 2016 bonds.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor Resolution 2018-01 was approved.

EIGHTH ORDER OF BUSINESS

Presentation of S&P Report

Mr. Oliver stated Standard & Poor's did a rating on this district when you issued bonds in 2016. As a part of that service at no additional cost, they also periodically review those ratings so bondholders and potential investors can better value those bonds. It is good for the district to have a high rating in case you need other financing in the future. It is also good for the reputation of the district and can impact home values for people want to buy into the district.

The report is included in your agenda packet and I have underlined the South Village CDD Capital Improvement Bonds remain at BBB/stable. Over the next couple of pages, the analyst discusses several districts. On page 4, the report states South Village CDD's primary credit strength is the decrease in the district's concentration of the ownership by the developer from 24% to 12%. The district becomes stronger with more resident owned rooftops, with a broader assessment base spreading the risk and reducing the likelihood of financial default. The weakness for the district is the fact that there is still some development to be completed in the district, although that is quickly being taken care of by construction both here in Phases 1 – 4 as well as Phase 5 that is underway right now.

NINTH ORDER OF BUSINESS

Consideration of POS System Proposals

Mr. Hermening gave an overview of the proposals from EZ Links, Jonas Club, Prophet and TAI for the point of sale system and price comparison and recommended Jonas Club Software. After discussion between the board and staff it was determined that the golf and recreation managers will meet with their respective accounting and IT people to determine any issues that may come up with implementation of a new system.

TENTH ORDER OF BUSINESS

Review of Landscape Maintenance Proposals

Mr. Andersen gave an overview of the proposals received from Tree Amigos, R&D, Davey and Yellowstone for landscape maintenance and recommended that the 30-day termination without cause provision in the contract with Duval be implemented and the contract be awarded to Tree Amigos.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor district counsel was authorized to send a termination letter to Duval Landscape and prepare an agreement for landscape maintenance services with Tree Amigos.

ELEVENTH ORDER OF BUSINESS

Consideration of Update Staffing Plan for Fiscal Year 2018 Agreement with Eagle Landing Amenities

The board and staff discussed the amenity staffing plan and Mr. Cross reported on his conversation with Mr. Arrowsmith who will not fund any additional staffing other than the two

full-time maintenance positions. Mr. Biagetti will review critical staffing needs and cost for same and will present his recommendation at the continued meeting for board consideration.

TWELFTH ORDER OF BUSINESS Discussion of Process and Scope of Services for Purpose of Soliciting Proposals for Management Services (Golf, Operations, Amenities)

This item will be discussed at the continued meeting to discuss the scope of services for golf operations and amenities, the process of solicitation and the pros and cons of contractual services and district employees.

THIRTEENTH ORDER OF BUSINESS Update Regarding Capital Projects

Mr. Hadden stated the payment of the retainage to Vallencourt will close out their contract on Phase 5. After 80% of the homes are built they will come back in and do the top lift of asphalt on the roads. There is no problem releasing their retainage.

On MOTION by Mr. Poole seconded by Mr. Krueger with all in favor requisition 25 releasing the retainage to Vallencourt for Phase 5 was approved.

Mr. Andersen stated the tennis courts will be complete March 15, 2018. The restrooms at the clubhouse are 90% complete but we haven't yet done a punch list. The soundproofing comes in tomorrow, in the dining room there will be sound panels that go in along the ceiling line and we are going to put soundproof panels in the divider doors between the two sections. Chandeliers still have to be replaced in the dining room. There is one community table on the patio and another should be onsite Friday. Inside the bar there are going to be two more of those tables that will seat 10 people. The bar will be closed after the Super Bbowl for renovations for two or three months and in the meantime a portable bar will be set up in the dining room. We have a \$355,000 budget we spent \$195,000 and even though we expanded the scope tremendously I believe it will come in within budget. The pool house is done.

FOURTEENTH ORDER OF BUSINESS Approval/Ratification of Requisitions

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor requisitions 29 – 34 were approved.

On MOTION by Mr. Poole seconded by Mr. Krueger with all in favor requisitions 24 – 28 were ratified.

FIFTEENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

SIXTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Ms. Buchanan stated I have been working with the sales team at Dream Finders Homes to be sure the disclosure that is provided to potential purchasers correctly reflects our assessment methodology and the amount of assessments that are due and owing. The assessments are higher than Phases 1 – 4 with the understanding that Dream Finders is paying them down. In order to include the reduced amount I need confirmation from Dream Finders that they are in fact going to pay down the principal at closing. I have asked them to agree to certain closing instructions and that way I will feel more comfortable with the sales team distributing the disclosure that has the pay down information on it.

B. Engineer

Mr. Hadden outlined on a map the master drainage system and explained how the stormwater management system functions during a storm event such as Hurricane Irma and reported that the system appears to be in good operating condition with the exception of a broken baffle in Pond #8 and did operate as intended during and after Hurricane Irma.

C. Manager

There being none, the next item followed.

D. Golf Course General Manager

There being none, the next item followed.

E. Director of Aquatics & Recreation

Mr. Biagetti gave an overview of the monthly report.

On MOTION by Mr. Krueger seconded by Mr. Poole with four in favor and Mr. Cross voting no staff was authorized to purchase a replacement pool cover out of the capital funds.

On MOTION by Mr. Cross seconded by Mr. Payton with all in favor staff was authorized to have the basketball courts striped for pickle ball and volleyball as outlined in the proposal in the amount of \$5,635 to be paid out of capital funds.

F. Operations Manager

Mr. Andersen gave an overview of the operations report.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the proposal from Vallencourt for repairs to the upper pond of the waterfall in the amount of \$4,211.55 was approved.

SEVENTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Krueger stated the money we get for house sales I want to see that it is tracked through the financials and where it gets transferred to.

Mr. Oliver stated I do have that report with me tonight. When a home is sold as part of the closing process, \$500 is collected from the closing agent and is remitted to the district. Recently, \$64,000 was wired from the general fund to the golf operations fund for deposit into the golf capital reserve fund. Future remittances will be sent on a monthly basis.

Mr. Payton asked who decides the neighborhood name in Phase 5?

Mr. Hadden responded that is a marketing item and Dream Finders will probably do that.

A resident stated about a year ago we spoke about an ATM. Has anything happened with that?

Mr. Cross stated I don't remember that discussion but I will get with the golf course on that.

A resident asked will there be a review period by the community on the golf course RFP?

Mr. Hermening stated we will have a workshop on it. We have the existing document and we will look at others as well.

A resident asked is there a mechanism to request more streetlights? There are only two in the area where we live and we are concerned about that.

Mr. Cross stated the county determines where they put the streetlights.

Mr. Biagetti stated we spoke about this and it comes down to funding because it is based upon how many streetlights there should be.

Mr. Hadden stated it is about \$2,000 each, you have to pay Clay Electric to install the pole and they would send the CDD a bill. It comes down to safety you want as much light as possible for safety.

A resident stated I propose that as a community if we want to drive more people to the clubhouse to get more revenue then we need to get on social media and not be negative but give positive reviews. That should start with we have a new general manager and he gets on social media and then we go on afterwards and have positive things to say.

A resident asked the presentation on golf was good and 49,000 rounds a year is good but do we want more rounds in total or more profitable rounds?

Mr. Gaudet stated we are constantly looking at changing the mix and trying to get more dollars per round.

A resident stated the 2018 budget has a \$130,000 increase for the recreation area.

Mr. Oliver stated you are correct. The Board adopted the recreation budget with the expectation once we had this contract update with additional staffing is nailed down, the Board would amend the budget amendment, hopefully reducing those staffing expenditures.

A resident asked with 50,000 rounds can the course maintain its condition?

Mr. Gaudet stated we run golf courses all over the country that run over 100,000 rounds, it depends on the market and where you are. You have the luxury of having almost 365 days you can play. In the last 30 days we have seen a lot of positives.

A resident stated I have experience with RFPs and construction and if you need my help I offer it pro bono.

A resident stated I spoke with previous management about coordinating tennis and swim meets and coordinating food and beverage with that, box lunches work great. We house tennis boys every year and they can't find a place to eat.

A resident stated the hours at the club are confusing. Tonight we were told by staff that they were closed at 7:00 p.m. and we looked it up and the hours online show 8:00 p.m. The hours should be posted somewhere that say exactly when the kitchen closes, exactly when the bar closes and the hours are not conducive to when you are actually getting traffic in there. You have done a great job with football but if you are going to close the clubhouse at 7:00 p.m. the 4:00 p.m. game isn't even done. Maybe you should do a poll to see when you are getting traffic in the club. There were a couple times when the club closed earlier than the posted hours and we had servers come to us and say I'm sorry we have to close because nobody is here.

Mr. Gaudet stated that is one of the first things we talked about this week. We will talk to staff about new hours and it has to go on the website and the door. Our hours are posted on a website that we don't control. We can try to get that updated but I can't guarantee it will be timely.

A resident stated throughout the construction no one has seen an artist's rendering of what it was going to look like.

Mr. Hermening stated we had designs at board meetings we don't have a designer anymore and when we go into the bar renovation we will have some type of drawing.

Mr. Andersen stated I will work on a drawing so you can see what is going to happen.

EIGHTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of September 30, 2017 and Statement of Revenues and Expenses for the Period Ending September 30, 2017

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. Cross seconded by Mr. Krueger with all in favor the check register was approved.

D. Golf Course

The golf course financials were presented earlier in the meeting.

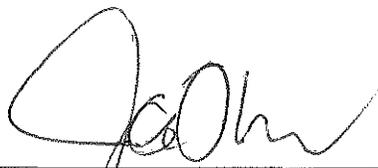
NINETEENTH ORDER OF BUSINESS **Next Meeting Scheduled for Tuesday,
December 5, 2017 at 6:30 p.m. at Eagle
Landing Residents Club**

Mr. Oliver stated the next meeting is scheduled for December 5, 2017. Regarding the contract update with Eagle Landing Amenities Management for FY18, we are going to get the revised staffing numbers from Matt for discussion at the continued meeting.. The only other outstanding item for which you would continue the meeting would be if you wanted to continue to refine the RFP process between now and the December meeting.

Mr. Krueger stated we need to start developing the framework for the RFP and go over the positions as soon as we can.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the meeting was continued to November 16, 2017 at 6:30 p.m. in the same location.

Mr. Oliver stated because this is a continued meeting those will be the only two items on the agenda.



Secretary/Assistant Secretary



Chairman/Vice Chairman