

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, February 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

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
Rob Dugan	Arnold Palmer Golf
Josh Heintzman	Arnold Palmer Golf
Corey Hamlin	Arnold Palmer Golf
Michael Johnson	Duval Landscape Maintenance
Chris Kenny	Duval Landscape Maintenance

The following is a summary of the actions taken at the February 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.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the January 3,
2017 Meeting**

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

FOURTH ORDER OF BUSINESS

Introduction of Duval Landscape Management Team

Mr. Oliver stated as you know after several years with another vendor, the District went through the RFP process and selected Duval Landscape Maintenance to provide your landscape and irrigation maintenance. They started with the new year and this is an opportunity for Mike and Chris to introduce themselves to the board as well as the community. They can give you their outlook for what the future looks like for Eagle Landing, outline any deficiencies that need to be corrected and receive any board guidance you have to provide.

Mr. Johnson stated we are happy to be here and we thank you for the opportunity to do something with this property and make it look a lot better. We have been working on a lot of winter cutbacks the last few visits and we have new flowers in and we are trying to make some fast improvements. We are looking forward to building a relationship and being a part of your team.

Mr. Kenny stated we are excited to be onsite and we look forward to the future.

Mr. Krueger asked do you have any recommendations on improvements?

Mr. Johnson stated I think we need to do a little more homework and dive in a little harder before we give recommendations. We will definitely have something for you by the next meeting.

Mr. Johnson and Mr. Kenny left the meeting at this time.

FIFTH ORDER OF BUSINESS

Discussion of West Bank Property

Mr. Oliver stated we talked about the West Bank property at the January 3rd meeting as well as at the workshop on January 19th. The developer of Eagle Landing made a proposal to the Board to annex into the district the property known as West Bank and he had a list of deal points he proposed. At the last meeting you designated Mr. Payton to negotiate with the developer. This is an opportunity for Chris to give you some feedback for Board discussion.

Mr. Payton stated I spoke with Roger yesterday about the proposed points that he brought to us at our January 3rd meeting. The biggest one was item 3, the proposal will effectively extend development life of Eagle Landing. The developer proposes leaving the operations management

and funding agreements in place for likely the next three years. I asked Roger if this was a deal breaker he told me not necessarily. We discussed our concerns that we have been talking about with the existing management company and how that is managed, some of the shortfalls and areas of concern. We also talked about the fact that we have never bid this management contract in this CDD and the fact that we have talking for at least months maybe years that we need to bid that contract. He knows that we are still working on a scope of services, we are not ready to bid yet and his proposal back to me in response to my comments was that he would like us to consider a one-year extension instead of a three-year extension. In response to our concerns he said that he would agree to add at no additional cost to the current contract ½ of a maintenance person's salary and he would also have a person like a general manager a person that he termed with management oversight, a contact.

The next item we spoke about item 7, which says the West Bank will pay to our CDD a fee of \$3,000 per lot at the time of closing for a total of \$510,000 and the board had asked if he would increase that to \$5,000 per lot and Roger said he didn't think that would be possible that he was already in discussions with some builders and reported that \$3,000 amount and he thought \$3,000 was the most that he we would be able to get for that. The amount remains at \$3,000. Gary had asked about consideration of the tennis court construction agreement from our previous golf purchase contract and he said he would not include that in this.

All the other points in the West Bank proposal from him were more informational than binding points.

Mr. Cross stated I don't know that we need another management person to oversee the management we need more people to do the work, more Indians and less chiefs.

Mr. Payton stated we discussed that and one of the points I raised is that there is no single point of contact that is responsible for the whole thing. I compared our golf people and Corey is here from Tallahassee, he is a regional guy and we know we have an escalation outside of department heads and that is something we don't have with the amenities management contract. There are a number of things that overlap between Steve or Matt or whoever, there is no one person walking around making sure that all the different departments are doing what they are supposed to do. We actually go to four different people to figure out what needs to be done and who is doing it.

We also discussed the fact that there are not enough people doing basic stuff. He told me he was going to personally sit down with his department heads and address some of those concerns and he thought that many of the items that I listed definitely should be done as part of the existing staff so we will see. It was just yesterday so I don't expect they are talking about it yet.

Mr. Cross stated I'm not too concerned about the one year versus three years because we were talking about the developer funding the overages on the budget and budgeting accordingly.

Mr. Payton stated he said that the agreement was that he would not raise the price we would not have a developer funding agreement but if there are any overages in the contract he wouldn't pass them on to us. He would cover those, which basically replaces the developer funding agreement. My thinking on that after the meeting was we don't have a finished scope of services yet, we still have some work to do on it. I don't know how long it is going to take us.

Mr. Cross stated not only that we have to jump on the golf course scope of services.

Mr. Hermening stated unless you are combining them into one scope of services.

Mr. Cross stated that is an option but I think the priority would be the golf course.

Mr. Hermening stated yes, theirs expires in June. They are probably pulling some stuff over from the golf side into this and if he is willing to offer a GM for oversight and our goal is to have this under one umbrella eventually can we work it to have a GM that has overall responsibility even though there are two separate management companies now. Can we do that?

Mr. Cross stated sure, I think we can make it part of the contract that they would oversee all facilities.

Mr. Krueger stated even a GM doesn't necessarily have to be part of the amenities contract or the golf contract.

Mr. Hermening stated my take on it is I have this GM over here I might want to extend his scope of services. The other thing is the tennis courts. When we purchased the golf course did we assume his existing liabilities and his ongoing liabilities? Such as who has the obligation for this golf cart lease?

Ms. Buchanan stated the district.

Mr. Cross stated some obligations we did and some we didn't.

Mr. Hermening stated I would pass that back. There is a buy out clause in there. I saw somebody behind a cart pushing it on 18 on Sunday while the other guy driving was doing a Fred

Flintsone with one leg. If we could somehow tie that in to their responsibility, if there is a liability for us to get out of it let's have shared liability because he is the one who got us into the long lease.

Mr. Cross asked do you remember what the liability was to get out of it?

Ms. Buchanan stated it was somewhere in the \$70,000 ballpark and skyrocketed to \$100,000 and now I think that it has been negotiated down to a much lower number but they are waiting on final paperwork from EZ-Go. It is not written in stone yet.

Mr. Cross asked what would you estimate?

Ms. Buchanan stated I think \$50,000.

Mr. Hamlin stated our best guy is working on it. The number that was first thrown out was a large number and Chris has moved that down.

Mr. Hermening stated if we can potentially look at cross functional management responsibilities thereby alleviate him from contributing a GM and have him contribute the whole maintenance person.

Mr. Cross stated the full maintenance person and the buy out obligation.

Ms. Buchanan stated I want to make sure, Chris did you get the sense that he understood and agreed that he would be sharing the bond debt assessments?

Mr. Payton stated we didn't discuss that. Didn't we discuss that when he was here?

Mr. Cross stated no. When I discussed it with him in our meeting earlier I got the sense that he understood there was going to be a bond.

Ms. Buchanan stated we discussed it here I just wanted to make sure that he is on the same page with us and it is an easy follow-up.

Mr. Krueger stated my concern is we have been trying to do a scope of service for at least three years now and we are still working on it. I'm acceptable for one year but that's it we need to have a scope of services done.

Mr. Cross stated we are going to have to have another workshop and just work on the scope of services for the golf course then we can do the amenity center but the priority is the golf course.

Mr. Hermening stated to that end from the draft of the changes that I sent back after December I shared that with a member of the golf course committee and he sent back some recommendations to me this weekend, very minor suggestions, mostly adding common language

because we have a discrepancy between directors and managers when they are in the same position. Make sure if we have an event that we have the right responsibility where it is supposed to be and reporting to the right people. Corey is going to send me a scope that you operate under just to make sure. If you send me that I think I can get something back to Jim and he can share that with the board during the next week or two and we will have a 90% solution. We have to pull it separately from the overall amenities contract we can back off the golf side of it.

Mr. Cross asked why don't we plan on looking at that in March? At that point if we need a workshop we can do a workshop.

Mr. Hermening stated you will have a draft before that.

Mr. Krueger stated I would rather get it done sooner than later. I would rather have a workshop this month.

Mr. Payton stated the intent of the workshop is to finish the scope of services, right.

Mr. Cross stated that is my intent.

Mr. Oliver asked proceed with the scope while you are negotiating with the developer on the deal points?

Mr. Krueger stated we are talking about a scope of services for the golf course.

Mr. Oliver stated the document Kelly referred to was a more comprehensive scope of services.

Mr. Hermening stated we can back out the golf. If the desire is to bring this together under one umbrella I suggest that we look at having a discussion of extending this for a year so everything lines up at the same time. That will give us an opportunity to oversee the clubhouse renovation, oversee a new cart lease there are a lot of things that are ongoing.

Mr. Krueger stated I don't have an issue with that. I don't know whether they would or not.

Mr. Hamlin stated I would need to speak with our team but I think they would be willing to extend for a year.

Mr. Hermening stated we can still do the workshop either way.

Mr. Oliver stated as a take away for tonight, I am passing out to you a copy of an RFP for golf management services used by another governmental entity in Florida.

It was the consensus of the board to hold a workshop on February 23, 2017 at 6:30 p.m.

Mr. Krueger stated part of the discussion was that he was going to contribute just over \$1 million to us, which is \$3,000 per unit when they sell plus up to \$500,000 to build a nice recreation facility.

Mr. Payton stated it says, extensive passive recreational facility with playgrounds, play fields and other features to be worked on in conjunction with the CDD at a budgeted cost up to \$500,000.

Mr. Krueger stated I don't think we need \$500,000 out there I think we could build on our own because they are going to level it out, throw some grass seed down, throw some sprinklers down and build our own little soccer field. I counter that we take that \$500,000 and use it to get this facility over here, this land.

Mr. Payton stated it isn't necessarily for sale yet. He also admits that he didn't feel that we could spend half a million dollars over there either. If you look at the size of the land it is about 11 acres. Instead of the ideas that are being thrown out like a full soccer complex it is not going to fit. It is about the size of four full size soccer fields.

Mr. Krueger stated you are saying he is not interested in selling us this property?

Mr. Payton responded no, I think he has shot you down a couple times on that.

Mr. Krueger stated he sounded amenable when we talked about it. What is the board's view if we get that property? I don't want houses out there. If we need to expand this facility there is only one place we can do it that makes sense.

Mr. Payton stated I don't have an opinion either way on the cottages. My only concern is on the plan there are 30+ units up there and that is income for the district. I will clarify his understanding of it. The other thing about that area is he told us before that he would allow an expansion into that area if we gave him a plan.

Ms. Buchanan stated your plan is to meet with him again.

Mr. Payton responded yes we agreed I would call him tomorrow and set something up if I needed to come back to him so I will try to meet with him before our workshop.

Mr. Krueger stated as part of the deal I would have the sales center too.

Mr. Payton stated Roger is a businessman he will make you a deal as big as you want. He did propose at one point in the sale of the golf course this very convoluted plan that included the sales center. At this time they are still using it and we would just lease it back to them

anyway. He has 300 lots existing today that he still owns and now he is asking to add in 177 more.

Mr. Krueger stated he told us last time he was here that the last lots were sold so I don't know where he came up with 300.

Ms. Buchanan stated I think it would be a good idea to ask Roger to attend if you want to reconvene and talk about things but I do think in the interest of efficiency it may be helpful to have him at a meeting.

Mr. Cross stated have him come to the March meeting because I don't want to take time from our workshop, negotiating a deal for an hour and a half. See if he can come to the next meeting and in the meantime the board can get together what they determine their negotiating points are, each board member and negotiate from there.

SIXTH ORDER OF BUSINESS

Golf Update

Mr. Hamlin gave an overview of the golf operations, the number of rounds, revenue, and expenses, and status of the golf course lease.

SEVENTH ORDER OF BUSINESS

Golf Management RFP Process

Mr. Oliver stated we talked about this item earlier and you are going to reconvene on February 23, 2017 at 6:30 p.m.

EIGHTH ORDER OF BUSINESS

Update Regarding Capital Improvements

Mr. Andersen reported on the updates to the pool, slide tower, pavers, refurbishing existing pool furniture, painting the interior and exterior of the clubhouse, new furniture for the clubhouse and requested approval to purchase and install LED lights in the pool, which falls within the budget and to have two oak trees by the clubhouse removed.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor staff was authorized to purchase 19 LED lights for the pool area in the approximate amount of \$18,050.
--

On MOTION by Mr. Cross seconded by Mr. Hermening with all in favor staff was authorized to enter into a contract to remove the two oak trees by the clubhouse.

NINTH ORDER OF BUSINESS

Consideration of Series 2016 Requisitions

Mr. Hadden stated you have a couple of pay requests for approval one for the surveillance cameras and one for Crown Pools.

Mr. Oliver stated with that motion you also have the in the agenda package two requisitions for Phase 5 and you could approve all of those in one motion.

- A. Series 2016 A3 (DFH Acquisition) #17**
- B. Series 2016 A3 (DFH Supplemental Construction) #17**

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor requisition no. 17 for the series 2016 A3 Dream Finders Homes acquisition account, requisition no. 17 for the Dream Finders Homes supplemental construction account and the two pay requests outlined above were approved.

Mr. Hadden stated Phase 5 is going well, we have met with the utility authority that we have made median underground changes for the water, reuse and sewer so that if the West Bank property is brought it they can be connected. There is a preliminary plat on Phase 5A that is being reviewed by the county. They are slightly ahead of schedule.

Update on Renovations to the Clubhouse

Mr. Oliver stated at the last meeting you reviewed architectural proposals and they were priced very high. You authorized Steve Andersen to talk to Basham & Lucas, the lowest cost proposer. Steve can share that conversation and recommendation.

Mr. Andersen stated I talked to Paul Basham and he is in agreement with Chris we do not need an architect to go in to this clubhouse and redo what we want to do inside. You are talking about changing the aesthetics, expanding the bar and you don't need an architect for that you need an interior designer. Paul knew that when he was originally approached and most of the money he had in his bid was for an interior designer. He gave me the name of the interior

designer he uses for clubs and she has experience in clubhouses, amenity centers and pools. We need someone who can take the ideas of the working group and the board and put them on paper and then we can get it done.

Mr. Hermening stated last month we talked about getting started on the exterior so we engaged a clubhouse renovation committee and I will provide the design draft to Mr. Cross' group. The ideas include, TVs, soft seating, tables, low seating, high tables and we are looking to get approval to start working on that and give Steve a not to exceed number so he can move forward.

Mr. Cross asked what do you think the not to exceed number should be?

Mr. Andersen responded \$30,000.

Mr. Hermening stated I agree.

Mr. Andersen stated I suggest we get a proposal from this company not to exceed \$15,000 and use their company to help pick out the furniture, design the outside, do the inside.

On MOTION by Mr. Hermening seconded by Mr. Krueger with all in favor staff was authorized to move forward to negotiate a proposal with Michelle Brown Interior Design that would encompass the outside and inside areas in an amount not to exceed \$15,000 to be ratified at a future meeting.

On MOTION by Mr. Hermening seconded by Mr. Cross with all in favor staff was authorized to move forward with the outdoor furnishings proposed by the interior designer in an amount not to exceed \$30,000.

TENTH ORDER OF BUSINESS

Board Direction Regarding Agreements for Amenities Management and Operations Management

Mr. Oliver stated I think tonight you decided to focus on the golf management contract and Kelly will provide an updated scope and I will circulate that.

ELEVENTH ORDER OF BUSINESS

Consideration of Lease Agreement with Clay County Supervisor of Elections Office

Mr. Oliver stated the next item is consideration of a lease agreement with the Clay County Supervisor of Elections for the early voting as well as the primary and general elections.

Typically these occur in the even number years , but there can always be a special election if needed.

On MOTION by Mr. Cross seconded by Mr. Payton with all in favor the lease agreement with the Clay County Supervisor of Elections Office was approved.

TWELFTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Ms. Buchanan stated I passed out one thing for your review. I am not asking for approval this evening but at the last meeting we were asked to prepare a draft surveillance policy it indicates that we are going to put up signage saying that cameras will be in use. We will leave it to staff to determine where we would actually place the cameras and it covers the retention schedule, which is we will record things for 30 days and it also covers the release of records. Essentially the surveillance video is covered by an exemption, there are recent cases that says that it relates to the systems the thought being that by looking at the video you can determine the placement of the camera and if you can look at enough video you can determine the placement to essentially have the plans for the entire security system for the district and security plans are statutory exemptions.

B. Engineer

Mr. Hadden stated let's talk about canals. I have had some conversations with the water management district and the individual I talked to would prefer that we reconstruct exactly what was there. That slope was designed and permitted years ago and they prefer that we restore it exactly the way it was. When we built that 15 years ago there was no golf course, no houses and with the golf course and houses there I have to bring in a piece of equipment to break up the concrete that is there. There is no rebar, woven wire or fabric in the concrete so it can be pulverized pretty easily. I have to bring it in between two houses and we will have to remove a fence and restore the yard so the smaller the equipment the better. I would like to bring in a

bobcat with buckets of cement bags and have some hand labor rebuild what was there all out of cement bags, wet them down and see if they would form the same thing. It is too far to park a cement truck out in the road, it is 500+ feet and it is not feasible to pump that far. If I formed it up like we originally built it I would have to bring the cement trucks down the dam between the lake and wetland or down the golf course and it would crush the golf cart path. I am now trying a different procedure with the water management district it is their call and trying to get them to allow us to build something very similar to what was originally permitted there, close enough so they can say we replaced the same thing but do it in cement bags. It is going to be a lot of trips with a bobcat to bring in a few hundred pounds at a time but it won't cause as much damage to the surrounding property. I have to get them to bless it and that is where we are right now.

Mr. Hermening asked how long is this going to take?

Mr. Hadden responded if you want it fast the only thing they will approve is the original design. I'm trying a different avenue to see if I can get someone to approve it.

Mr. Cross asked how much difference in money are we talking about even with the tearing up and fixing and stuff by bringing in the bags?

Mr. Hadden responded \$15,000.

Mr. Cross stated I want to make sure we keep the receipts for this so we can make a FEMA claim because it is definitely storm related.

Mr. Hermening stated let's bring in a hand mixer and do it that way.

Mr. Cross stated we could be here six months from now waiting on the water management district, let's bring in the hand mixer and it may be more but we will get it done.

Mr. Hadden stated okay.

C. Manager

Mr. Oliver stated this CDD is a unit of local government and we are required to have an independent audit performed annually. The 2016 audit is underway and we will have that completed and presented to the board well in advance of the June 30th statutory deadline.

D. Golf Course General Manager

Mr. Dugan gave an overview of the golf course activities over the past month.

E. Director of Aquatics & Recreation

Mr. Biagetti reported on maintenance and repairs being made to the clubhouse and the status of looking into options for new gym equipment.

F. Operations Manager

Mr. Andersen stated the security company can start in two weeks.

Mr. Krueger asked do you want a not to exceed for this facility for furniture and the pavers?

Mr. Andersen stated we will get a proposal for the furnishing from the interior designer and that will be about six weeks out so we have time on that and we were going to proceed with fixing the pavers.

FOURTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Krueger stated I would like to see some sort of accountability at the rec center for tennis and so forth. I don't know if it is possible to go with an electronic scheduling system for court reservations, lesson reservation and I will defer to Chris since he is there more than I am. If we want to look at usage they have to go back and create something. I guess the pros get pretty much all the revenue from lessons for tennis.

Mr. Payton stated they don't get 100% of the revenue.

Mr. Oliver stated in this district they get 100%.

Mr. Krueger stated some of my thoughts would be that since this a facility that doesn't drive revenue per se if the pros are pulling clients from out of town and using our facilities we want to make sure that we are getting something.

Mr. Payton stated in our agreement for costs there is an additional rate for non-residents for all activities.

Mr. Krueger stated there needs to be a system of checks and balances. If there is a schedule and you look at the schedule and there is nobody on the schedule and you want court 4 and there are people out there playing you wonder what's going on.

Mr. Payton stated I talked to Matt and the tennis guys recently and this leads into a whole other issue of just knowing who is on the courts. As we discussed before access to our facilities is incredibly hard to control because it is basically an open facility right now.

Mr. Krueger stated I want to close that.

Mr. Payton stated until we get to that point where the facility is finished and there is a fence around the whole thing I think staff needs to be more aware of who is on the courts and asking questions and asking them to check in and I talked to Roger about that yesterday. Matt recently ordered some signs that will require everyone to check in before they use the court. The desk should know who is on the court at all times and if they walk out and someone is on the court and they haven't checked in they need to ask them to check in and they will check their name against the database and if they don't live here they will be asked to leave.

Mr. Cross stated this is more of a control issue.

Mr. Payton stated I think it is. You are always going to have someone coming to play tennis but if your question is about are they giving lessons that are not on the books and they are making 100% of that profit.

Mr. Krueger stated it should be on the books.

Mr. Payton stated I will talk to them about that.

Mr. Cross stated we are just talking about more control overall, more control of the tennis courts, knowing who is paying what, who is playing tennis.

Mr. Payton stated I know pretty much all the tennis players and I will send out a notice about everybody helping each other. It is the same for the basketball court. The person at the desk should know that eight people checked in and if he walks in the gym and see 15 people that means someone didn't check in.

A resident stated I think it is hard because there is only one person responsible for going to the gym, cleaning bathrooms so they are away from the desk a lot and it gives many people a chance to go to the courts and into the gym when they are not around.

Mr. Payton stated that's fine but when they come back they should take a walk occasionally and see what's going on.

A resident stated when you are talking about access about seven months ago I asked about putting an emergency alarm on the doors so it will sound if someone propos it open to let other people in and I haven't seen anything change yet.

Mr. Krueger stated I think that is going to be part of the new door system.

A resident stated I want to touch on the West Bank project. Have we looked at the impact to this grand scope? We are adding new access to our neighborhood, which is going to

increase crime and impact the safety to the residents who live here now. Are we holding the builder to a high level of quality, the size of the buildings and what have you?

Mr. Cross stated whether we annex that or not it is going to be built and there will be thoroughfares through here because we don't control the streets.

Several residents raised the same issues and concerns with the proposed annexation, size and value of houses, impact to existing facilities, oversight of the facilities, lack of staff and management of the facilities, and lack of communication between departments and residents.

FIFTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of December 31, 2016 and Statement of Revenues and Expenses for the Period Ending December 31, 2016

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

SIXTEENTH ORDER OF BUSINESS Next Meeting Scheduled for Tuesday, March 7, 2017 at 6:30 p.m. at Eagle Landing Residents Club

Mr. Oliver stated we will have a workshop on February 23, 2017 at 6:30 p.m. and the next scheduled meeting is March 7, 2017 at 6:30 p.m.

On MOTION by Mr. Krueger seconded by Mr. Hermening with all in favor the meeting was continued to February 23, 2017 at 6:30 p.m. in the same location.

February 7, 2017

South Village CDD



Secretary/Assistant Secretary



Chairman/Vice Chairman