

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, June 2, 2015 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
Richard Townsend	Supervisor
Chris Payton	Supervisor
Bobby J. Poole	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel by telephone
Keith Hadden	District Engineer
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Ed Getherall	NGF Consultant

The following is a summary of the minutes and actions taken at the June 2, 2015 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Cross 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 April 7, 2015 Meeting and the May 5, 2015 Meeting

On MOTION by Mr. Townsend seconded by Mr. Payton with all in favor the minutes of the April 7, 2015 and May 5, 2015 meetings were approved as presented.

FOURTH ORDER OF BUSINESS

Update Regarding Golf Course Acquisition Feasibility and Valuation Study

Mr. Getherall of NGF stated we did a physical inspection of the golf course today to get a sense of the operation and to collect data that will be used in our evaluation and report that will be presented to you in mid-July so that you will have the information available to make a decision on a possible purchase.

FIFTH ORDER OF BUSINESS

Update Regarding Bond Refunding and Consideration of Related Actions

Mr. Oliver stated as you will recall over the last couple of years we have been discussing refunding the bonds to then reissue at a lower rate, which would generate cash for other capital projects or reduce assessments or a combination of both. The underwriters are preparing a credit package to submit to Standard & Poor's that will generate a credit rating upon which they would market bonds and that was on hold until we got the new assessment rolls, which were released on June 1st from Clay County. Refunding is optimal once you have rooftops on 70% to 80% of the properties within the district. Right now we have rooftops at about 56% throughout the district. One of the ways to get the 56% to 70% was with the sale of the lots in Phase V, consisting of 217 lots, we can bifurcate the bonds so that Phase 1 through IV would be one bond and Phase V would be a separate bond because there won't be any rooftops there for a while. At a previous meeting it was disclosed that an offer had been made and a home builder was in negotiations with East West, the developer, to buy the 217 lots and they were in the due diligence process. I spoke with the developer today and the other party has come back with a counter offer. They are still working to reach an agreement and nothing has closed yet. According to seller, sale and purchase is not imminent but it is still likely. That is an important part of the refunding process and we are on hold until that happens. Regardless of whether or not the district decides to purchase the golf course we still recommend taking advantage of the refunding process to lower rates.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2015-03 Approving the Proposed Budget for Fiscal Year 2016 and Setting a Public Hearing Date for Adoption

Mr. Oliver stated this is the beginning of the budget process and by approving the budget we can provide it to Clay County by the statutory deadline of June 15, and set a public hearing

no sooner than 60 days during which the budget will be refined then you have a public hearing and adopt the budget. In Clay County the budget has to be adopted by September 15th so we can provide a certified assessment roll to the Clay County tax collector that will go on the property tax bills that are issued November 1st. With the 60 day requirement typically we would look to adopt the budget at the August meeting, however, because we have so many things in flux right now one of which is the discussion regarding the golf course, another being the bond refunding and later tonight we will talk about the scope of services for getting proposals for onsite operations. There is a lot of information still to come in before we can firm up the budget. What is before you is a budget that is about the same as you have seen in recent years and the only large increase is a recommended \$20,000 in utilities. There is the standard gross \$60 increase in assessments for O&M; the developer contribution goes down with the idea being that as assessments go up the developer contributions go down until they are at zero. As Phase V comes on board and these lots are sold and they carry the full freight of assessments I would see your assessments at this level of services capping out at this year's rate. Any increases beyond that would be because this board or a future board decided that they needed to raise the level of services or if there were other considerations.

Mr. Oliver reviewed the general fund budget, the recreation fund budget and the debt service budget.

On MOTION by Mr. Krueger seconded by Mr. Payton with all in favor Resolution 2015-03 approving the proposed fiscal year 2016 budget and setting a public hearing for September 1, 2015 at 6:30 p.m. in the same location was approved.

SEVENTH ORDER OF BUSINESS

Ratification of Agreement with TAI Club Management Software Solutions

Mr. Oliver stated at our last meeting we talked about the fact that several technology matters that the district is trying to segregate from the developer and golf club were all on one system and you authorized the vice chair to work with staff on this agreement. The point of sale system was with TAI Club Management and we will continue to use their software and license that separately. We entered into a software management agreement with them at a cost of \$2,720 and this allows staff to continue to use the same system and also the residents have the same system used in their interaction with staff so we don't have a brand new system coming online.

This also includes upgrades to the system and we will be able to use TAI systems for training on an hourly basis as needed and we will determine what training is needed.

On MOTION by Mr. Townsend seconded by Mr. Krueger with all in favor the agreement with TAI Club Management Software Solutions was ratified.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Oliver stated your current contract for onsite management services is with Eagle Landing Management Services. We just went through the proposal process on another district in St. Johns County and Ms. Buchanan has provided me with a very comprehensive scope package. I would like to take that package and work with a designated supervisor to refine and customize it for South Village CDD and release it to solicit proposals for consideration at your next meeting in July. Even if there is no decision to be made we can at least get the cost information to determine what we should have in our line item for the FY 2016 budget.

On MOTION by Mr. Townsend seconded by Mr. Krueger with all in favor Mr. Payton was authorized to work with staff to develop a scope of services for onsite management services and to solicit proposals to bring to the next meeting.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager – Report on the Number of Registered Voters – 1,419

Mr. Oliver stated Chapter 190, Florida Statutes requires that each year we put on the record the number of registered voters that live in the district and it drives the transition to a resident controlled board and that happens at the six year mark when you have at least 250 registered voters in the district. Clearly you are now a full resident board and you have gone

through the general election process for three cycles now. The number of registered voters in the district is 1,419.

D. Director of Aquatics & Recreation

Mr. Biagetti stated Life Fitness did get all the parts in and overhauled all the ellipticals and the one treadmill that was down. Everything is operational except for two Comcast issues. Hopefully, you will see continued improvement of the overall maintenance of the machines.

E. Operations Manager

Mr. Andersen stated we had two easement requests from residents for pools. We have a 10 foot easement on their property and the easement is in place to prevent any negative impact to the swale in the back. They are asking for a 5 foot easement encroachment and I have looked at it and there is no negative impact on the swale.

On MOTION by Mr. Cross seconded by Mr. Payton with all in favor the two requests for an encroachment into the easements for swimming pools were approved.

Mr. Andersen reported that the slide would be out of service for a couple of days for some minor repairs.

Several residents have complained about fishing in the ponds and the ponds belong to the district but Mr. Anderson stated 99% of the banks are owned by the homeowner unless they are on the golf course then it is owned by the golf course. There is an easement around the ponds that is usually 25 feet and starts at the water's edge and goes up the pond bank and that easement is owned by the district and is there for the maintenance of those ponds. Mr. Anderson suggested that we put up no parking signs in the few areas where we have had people park and cause damage to the sprinkler heads. We have no jurisdiction on private property.

TENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Cross stated I have a request from a resident. Last year or the year before some people stole golf carts and drove them across the boardwalk and into the lake. Apparently there were three people, one was caught and prosecuted so the person who was prosecuted has a friend

who lives in our community and his mother wants permission to bring him in as a guest to use our facilities. I think the staff made the right decision in banning him from the property. She would like to know where the board would stand if she asked to have him reinstated as a guest with her only. She wanted to know if it would be worth her time so I said I would bring it to the board to get their feelings on it.

Mr. Poole asked was he banned for life?

Mr. Cross responded yes and the reason I think staff took that position is that he has no rights to be on our property they are coming as a guest and they destroyed district property.

It was the consensus of the board to not lift the ban.

Mr. Payton stated I wanted to follow-up on a couple emails we received as a group. One concerns the golf course sale and acquisition from a resident that came to the resident committee and all of us.

Mr. Cross stated I directed her to Grant because he was on the committee.

Mr. Krueger stated if you would like to speak afterwards I will make myself available.

A resident asked the survey that was done about three months ago is there any feedback you can share going back to the residents? Surveys are only as good as the feedback afterward, after reviewing all the input from the community. Earlier when they mentioned the slight deficit I don't know what a slight deficit is in terms of dollars and cents. The club, the restaurant is one dark hole. I heard that 25% of the revenue comes from the restaurant this will be the first place I would start to shore up because there is money to be made. You don't see too many residents going there to dine and I think that is a pity because the setup is great but the food is atrocious.

Mr. Oliver stated if the survey results are no longer on the website we will put them back up.

Mr. Payton stated a lot of information was included in the report by the residents' group because that was based off the survey.

Mr. Cross stated as far as the restaurant in short I agree with you and that was one of the things that I spoke with the assessors about today.

Mr. Meyer asked what happened with the nature walk?

Mr. Andersen stated it didn't die, it just became a bigger problem for me than I thought. We have the approval but I'm struggling with how to build the kiosk.

Mr. Meyer stated we currently have a non-rated bond and it is a 2035 bond at 5.75%. Have we checked what the rates are for a 2035 non-rated? Because the price you pay for \$20 million is not a lot of money.

Mr. Oliver stated the underwriters are looking at all options right now.

Mr. Davison stated the oncoming and outgoing traffic coming into Eagle's Landing I'm pretty sure we addressed this before but I have seen several occasions where head on collisions almost occurred coming into our community because of speed. The traffic is out of control. I also see cars swerving into the other lane and you have to almost go into the curb to avoid being hit by trucks. Are there plans to put in any safety measures in the front of our community to slow that traffic down before something happens?

Mr. Cross stated we have no more say over the roads than you do. All we can do is talk to the county and we have talked to the county.

Mr. Andersen stated if you go online to Clay County Public Works maintenance form type that into the computer and you can fill out a maintenance form and put in your name and address and your concern as a safety concern. The more people who do it the more people pay attention. I have spoken with Jeff Beck about it and that helps our arguments when we talk to the county. They are aware of it but we need everybody's voice.

Mr. Cross stated let me clarify my statement, it is not that the board is not concerned about what you are saying it is just that at this point the county is not interested in doing anything.

A resident asked what does the \$421,000 management fee cover on page 8?

Mr. Oliver responded that is for all of the recreation staffing including tennis, the pool complex and the fitness facility. The board is putting together a scope of services to go out and get competitive bids for those services.

A resident stated at the April meeting a woman made a presentation requesting that her pre-school children use the pool.

Mr. Oliver responded she withdrew that request.

A resident asked what is the status of another entrance to Eagle Landing?

Mr. Oliver responded we will have to wait for an update from the developer but it is tied to the pace of building homes and the district doesn't control that.

Mr. Cross stated the developer is not going to put that in until he develops that area. I was at a meeting with some county commissioners and I know the developer asked for money for roads. Apparently he is getting ready to develop something. I think they approved \$9 million for roads.

A resident asked regarding the HOA at what point can the homeowners assume responsibility for the HOA?

Mr. Poole stated the covenants we all got when we bought says that once home ownership exceeds 90% it should be turned over to the residents but until that point the developer has control of the HOA board.

Mr. Oliver stated just to clarify this board has no authority over the HOA.

Mr. Poole stated I asked legal counsel how difficult would it be to have that changed and she was going to refer that question to somebody who is more in tune with the law as it relates to HOAs.

Mr. Cross stated when it comes to HOAs, streets and highways I don't really like to bog the board down with that because then people don't understand and it is not for us it is that people get confused and start thinking we can make traffic laws and paint houses and mow lawns. Some people come to a lot of meetings and they understand but some people it is their first meeting or they come once a year. That is why I don't want to get into it because people get confused. It is not that I don't want to discuss it.

Mr. Oliver stated this is a limited form of government and you only have authority over land and property that is owned by the district.

ELEVENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Registers

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the check registers were approved.

B. Balance Sheet & Income Statement

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

C. Assessment Receipt Schedule

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

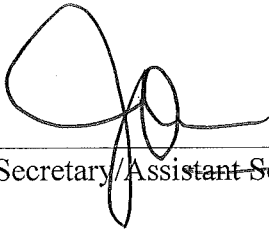
TWELFTH ORDER OF BUSINESS

Next Meeting Scheduled for Tuesday, August 4, 2015 at 6:30 p.m. at Eagle Landing Residents Club

Mr. Oliver stated we have on the agenda that the next scheduled meeting is August 4, 2015 but we want to have a meeting in mid-July so that NGF Consultants can come back with a draft report, present it to the board, take your questions and audience comments so we can continue to work through that process. He is available July 14th and I would like you to check your calendars to see if we could achieve a quorum for that date.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor a board meeting was scheduled for July 14, 2015 at 6:30 p.m. in the same location.

On MOTION by Mr. Krueger seconded by Mr. Townsend with all in favor the meeting adjourned at 7:40 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman