

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, September 5, 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
Rob Dugan	Arnold Palmer Golf
Josh Heintzman	Arnold Palmer Golf
Corey Hamlin	Arnold Palmer Golf

The following is a summary of the actions taken at the September 5, 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

Affidavit of Publication

A copy of the affidavit of publication for the notice public hearing was included in the agenda package.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 1, 2017 Meeting

On MOTION by Mr. Cross seconded by Mr. Payton with all in favor the minutes of the August 1, 2017 meeting were approved.

FIFTH ORDER OF BUSINESS

Acceptance of the Minutes of the August 15, 2017 Budget Workshop

On MOTION by Mr. Krueger seconded by Mr. Payton with all in favor the minutes of the August 15, 2017 budget workshop were accepted.

SIXTH ORDER OF BUSINESS

Public Hearing to Consider Adoption of the Fiscal Year 2018 Budget

A. Consideration of Resolution 2017-12 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2018

Mr. Oliver gave an overview of the budget process then a PowerPoint presentation on the general fund budget, recreation budget, capital reserve fund, golf fund and the three debt service funds that incorporated changes made at the budget workshop.

The board and staff discussed aspects of the budgets then the following motion was made.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the public hearing was opened.

A resident stated I sent you an email a couple weeks ago with suggestions about the budget. I don't see anything changed in this presentation from what it was before. I think the cost of goods sold should reflect the cost of goods sold not the promotion.

Mr. Biagetti stated technically it is going to be the same.

Mr. Cross stated we discussed the member promotion at length.

A resident stated I don't like unrealistic numbers for the pro shop, beer and liquor. The business is running at an operating loss subsidized by social dues.

Mr. Poole stated when the golf course was owned by the developer the economics of the golf course were reflected with that operating loss and the revenue associated with the social

dues went to the developer. As we transition into new ownership we are still at a loss but now the social dues are being included in the overall revenue of the golf course.

Ms. Buchanan stated two large expenses are reflected in the golf budget that were not there before those being property taxes and insurance. This deficit includes the expenses that have always been associated with the golf course but not necessarily borne under your budget.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the public hearing was closed.

Ms. Buchanan stated we have two resolutions relating to the budget, the first is the appropriations resolution and this essentially adopts the budget that you have before you. It is appropriating revenue out of the district for the total sum and we will fill in the sum at the end of the meeting but each line item in the appropriations resolution relates to the funds that we have, you still have the ability to change our revenue between budgeted line items and transfers over \$10,000 have to come back to the board.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor Resolution 2017-12 was approved.

B. Consideration of Resolution 2017-13 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2018

Ms. Buchanan stated the next resolution is the assessment resolution. Similar to prior years you still have two methods by which you collect assessments. Assessments on platted lots are generally collected via the uniform method of the tax roll, assessments on unplatted property or in this instance the Dream Finder platted property that is not currently under development will be collected directly by the district. This resolution makes findings that the services and improvements offered by the district do benefit the community and then describes the assessment process in which we are going to collect the assessments. Once the meeting is adjourned Jim will attach the assessment roll his office prepares and that will be submitted to the county so they can incorporate it into the tax process.

On MOTION by Mr. Krueger seconded by Mr. Cross with all in favor Resolution 2017-13 was approved.

C. Consideration of Direct Collection Agreement for Fiscal Year 2018

Ms. Buchanan stated this agreement is one we haven't done in the past it is a direct collect agreement. In this instance we made a deal with Dream Finders that we would defer collection on the last 99 lots so this agreement spells out that process.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the direct collection of special assessments agreement with DFH MOF Eagle Landing, LLC for fiscal Year 2018 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2017-14 Designating Primary Administrative Office

Mr. Oliver stated Resolution 2017-14 designates the office at the sales center as the district's primary administrative office and headquarters although all the official records are kept at my office and also online. We have to have a location within Clay County for the district's records.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor Resolution 2017-14 was approved.

EIGHTH ORDER OF BUSINESS

Update Regarding Requests for Quotes for District Facilities Point of Sales and Access Control Systems and Options

Mr. Hermening outlined the presentations given by the three companies resulting in a recommendation to go back to two companies, TAI and Jonas, get their best offer, timelines of implementation and bring the results back to the next board meeting.

NINTH ORDER OF BUSINESS

Consideration of Lease Agreement for Golf Course Maintenance Equipment

Mr. Hamlin gave an overview of the golf course maintenance equipment to be included in the lease agreement and the board discussed purchase versus lease on some of the equipment.

On MOTION by Mr. Krueger seconded by Mr. Cross with all in favor the lease agreement for golf course maintenance equipment with Westcoturf was approved.

TENTH ORDER OF BUSINESS

Golf Update

Mr. Dugan reviewed the golf operations for the past month and the board discussed various ways of advertising the golf course using social media and various ways to operate and market the restaurant.

ELEVENTH ORDER OF BUSINESS

Update on Capital Projects

A. Series 2016A1/A2 Projects Status

Mr. Andersen reviewed the updated project status report.

B. Review of Cost to Complete Schedule and Remaining Funds

Mr. Krueger stated I wasn't at the last meeting and you approved four tennis courts for \$356,000. We had allocated \$240,000 for tennis courts so where is the other \$116,000 coming from? Where are we taking it from?

Mr. Andersen stated the premise you are stating is \$240,000 wasn't allocated there was an initial list that was put together for the bond issue a year and a half ago that the district engineer and I put together with best guess estimates at the time. Those were strictly placeholders only so we could get the bond issued. After the bonds were issued we put together this project list and you allocated according to the wishes of the board. If you look at the projected total project cost that is where we are projecting once everything is done, where it was spent and that still adds up to \$1,379,000.

Mr. Krueger stated I didn't see where the money was coming from.

Mr. Cross stated we did take it from the playgrounds because the HOA is going to pay for the playgrounds.

Mr. Krueger stated I have a lot of questions from the residents about what is going on at the clubhouse. If we had renderings up there so people could see what was happening it would have alleviated a lot of questions.

Mr. Cross stated we could have if we had paid around \$20,000 but we decided not to do that.

Mr. Andersen stated I will clean up the schematics and show what we are doing. If we were to go to contract on the tennis courts the board will approve it and we will have a general

contractor and we won't worry about what sand costs or clay costs or lights that is immaterial because we have a certain contract. In order to get more bang for the buck here I am acting as your general contractor and we are going out and getting pieces of it at a better price. We are using our residents to help design and decorate this place. We are doing it at the best value for the community. We can bring each individual item back for your review such as this is what the floor will cost, what this light will cost but what I'm looking for from the board so there is no question is to say we are approved to spend up to \$354,000 and I will bring back the requisitions as we go forward.

Mr. Cross stated I saw it as hiring a general contractor, that is Steve, the designer didn't work out for us and we hired him to build what the resident group says what they believe they want along with the board.

Mr. Poole asked is there a need for us to provide more information on a broad scope basis to resolve the questions?

Mr. Andersen asked do you not feel that the emails and the update at the meeting is enough?

Mr. Krueger stated this has been going on for a while.

Mr. Andersen stated let's make it clear there is no hidden agenda here. You are welcome at any time as we did today I will walk through this place and show you every nut, bolt and screw that we are going to change and move and all the things we come up with and everything else. I want this to go out to the community more than anything because I think that generates a lot of excitement. For a small renovation this is going to be a big deal.

Mr. Cross stated I get a lot of questions about the driving range and I don't know anything about the driving range so I tell them I don't know but I will check so I made a call to Steve and management and took a ride out there and looked at it. I don't understand it 100% but I'm satisfied with the answers at this point. Then I got back to the resident and told him what I found out.

Mr. Andersen stated I need to make sure that all the board members have all the information because I agree you don't want to be surprised by anyone and the more information that gets out to the community the better. I can do that.

On the driving range we are still working with the contractor because they don't believe he actually finished the job completely and we are going to see if we can just finish the last part.

We are doing the men's bathroom, dining room next will be the women's bathroom then we are going to shut down the bar for about 48 hours as we go in and rip out two bookcases and replace that floor and once the floor comes out we are going to stop doing the bar until after the Superbowl then we will finish the bar. New furniture will go in, we will have the televisions up there too.

Mr. Payton asked when it reopens for the short term football season, what won't be done?

Mr. Andersen stated the bar and on the side where there are two windows those will be enclosed and a window on the backside and the paneling will come down then we will extend the bar.

Mr. Hermening asked we installed the two parks but what about the third park?

Mr. Andersen stated we have two new parks, they both need irrigation, one needs sidewalk and that is being taken care of. We don't have anything in the Wild Dunes area and I went out with a contractor and the lot is about 50 feet wide and about 100 feet deep and I think we can get in two swing structures and put a smaller play structure towards the front.

On MOTION by Mr. Payton seconded by Mr. Hermening the third park site across from Wild Dunes on Eagle Landing Parkway was approved.

Mr. Krueger stated Steve found a fix for the baby slide and it is going to cost about \$4,000.

Mr. Andersen stated we found a company that is actually going to recover it otherwise it is a \$13,000 replacement.

Mr. Poole stated the landscaping that we are sharing as I was reading the contract it was executed in 2004 or 2005 and it says we have responsibility for landscaping 100 yards to both sides of our entrance; however, the rest of the landscaping from the tower to 23 is something we share with Middle Village and Double Branch. There have been a lot of changes or there will be changes, is it time for us to take a look at what our share is?

Mr. Oliver stated I spoke with counsel about that as well as the district manager for Middle Village. He is going to ask Middle Village if they are interested in reopening that contract. His assumption is they won't be willing to reopen it unless they benefit from reopening it. Right now there seems to be no incentive for them to renegotiate, but he is going to ask the

question and we will bring back that response to the board. There are other parties that now front that road, but those other parties may not have any incentive to voluntarily pay a share of landscaping costs which are already included in an existing contract. We are going to ask the question. There is no “out” in that contract saying either party can open it up for renegotiation. Let’s see how the CDD across the street respond.

Mr. Andersen asked is there anything preventing us from negotiating with parties that just came on?

Ms. Buchanan stated no.

Mr. Oliver stated there is a district on LPGA Boulevard in Volusia County. That CDD is responsible for a large share of the maintenance responsibility for that interchange at I-95. Several new commercial businesses just came into that interchange area, including an Automall and outlet mall. There is going to be a Jimmy Buffet Margaritaville residential community developed. The CDD Board directed that district manager to go to these different companies and request they pay their fair share of the interchange landscape maintenance costs. All declined. We can ask the question. Right now the agreement is with Middle Village CDD, so communicating with them is the first step. Once we get that answer, we could go with approach B see if some of these other entities with rqaod frontage want to pony up. In some other districts we have had interlocal agreements with counties or cities that the developer entered into, but years later the resident board decided not to maintain county roads any longer. There are a lot of different options that we can consider, but we will start with Middle Village CDD..

C. Series 2016 A3 Project Status (Phase 5)

Mr. Hadden stated Phase 5A is complete except for the second course of asphalt, which will not be placed until 80% of the homes are built. Water and sewer has been inspected and approved, silt fences around the ponds and wetlands will remain in place. They have cleared about 70% of the lots, half the lots that needed fill got fill from the ponds.

D. Ratification of Series 2016 Requisitions

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor requisitions 20 – 23 in the amount of \$47,163.31 were ratified.

TWELFTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

THIRTEENTH 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 – Discussion of Meeting Schedule for Fiscal Year 2018

Mr. Oliver stated each year we need to approve an annual meeting schedule so that we can publish it in the paper and you have a proposed meeting schedule to continue to be on the first Tuesday of every month at 6:30 p.m.

On MOTION by Mr. Krueger seconded by Mr. Poole with all in favor the notice indicating meetings on the first Tuesday of the month at 6:30 p.m. in the same location was approved.

D. Golf Course General Manager

There being no additional report the next item followed.

E. Director of Aquatics & Recreation – Discussion of Additional Fitness Classes

Mr. Biagetti stated Monica who runs our Zumba program is here to brief you on more fitness opportunities for Eagle Landing.

Ms. Monica Fitzpatrick stated I would like to request the addition of more fitness classes here at Eagle Landing. I have not worked out the logistics but I'm seeing a lot of interest in having a spin class in the evening. I'm not requesting money from the board this is something that would come from me and all the equipment that would come onsite would be out of pocket costs to me.

Mr. Cross asked where would you have the spin class and where would you store the equipment?

Ms. Fitzpatrick stated I have no problem with the gym and I know there are two big storage units.

Mr. Cross stated I think you have to work out those logistics before you come to the board.

Mr. Biagetti stated we did discuss a lot of that but spin bikes are quite an investment and I think we can add it. Morning classes are easy and evening is busy but I think it would get support. Logistically I think we can make it work and we talked about pickle ball as well at some point.

Mr. Biagetti gave an overview of their hurricane preparedness measures.

Mr. Andersen stated we will take the necessary steps and make sure everything is secure.

F. Operations Manager - Report

Mr. Andersen stated I will be working with Clay Electric on the turnover of accounts to the district's name and what kind of deposit they are going to require and will have more information for you at the next meeting. The bills will have a better description on them so you will be able to tell what they are.

As to the clubhouse we have exhausted our paid designer services so the way the contract was written we don't have to cancel that we just won't exercise the additional services going forward.

I think the landscaping is in the worst shape I have seen it for a long time and I reached out to Duval and they lost the project manager who was here. One of their V.P.'s is taking over the contract and he is here onsite. They have received written notification twice about some of the deficiencies in their contract. They have said they will fix them but in the meantime I think it is appropriate for us to go out and receive proposals for landscaping. I just need the okay to push forward with this. I will put together the proposal package and bring it to the next board meeting and if you approve it we will go out for proposals.

FOURTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Payton stated just to follow-up on an item from the last meeting regarding tennis lessons and clinics in the budget. The budget is correct the tennis pros do make 100% of their lessons and clinics. It will also show as an income source for the district because the way it

works is any money collected through the cash register at the tennis center for tennis lessons and clinics is direct income to the district and then GMS reports that same amount to East West and East West as part of the management agreement with their tennis pros pays them an amount equal that they already determined each year. They estimate an amount and pay them up to that amount. If they actually go past that amount of lessons and clinics we still make that as a district the tennis pros don't.

Mr. Hermening asked the furniture in the clubhouse banquet table, cabinets in the hallway, those are not going to be refurnished, right?

Mr. Andersen stated right.

Mr. Hermening stated we have furniture in the clubhouse that we will need to dispose of and I have been approached by a resident who has in interest in one or two of the cabinets. I suppose similar to the agreement to sell the outdoor furniture I think we need to come up with a number and have the resident write a check for it.

A resident stated on the new revised clubhouse schedule where you are going to take a pause for football season. When do you think that pause will be?

Mr. Andersen stated October 16th.

A resident asked do any of the dams need an inspection with the storm coming this week?

Mr. Andersen stated I will do it this week.

A resident asked is someone going to contact Dream Finders about the debris they have by the lake?

Mr. Andersen stated I have sent them an email.

Mr. Cross asked can we make a request to FEMA on that weir? We need to make the request because I have a congressman who said he would personally expedite it.

Mr. Hermening stated I also heard that reimbursement from Matthew is being put on hold because of Harvey. We aren't going to see anything from Matthew.

FIFTEENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of July 31, 2017 and Statement of Revenues and Expenses for the Period Ending July 31, 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.

SIXTEENTH ORDER OF BUSINESS

Next Meeting Scheduled – To be Determined at Meeting

Mr. Oliver stated the next meeting will be held October 3, 2017 at 6:30 p.m. in the same location.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the meeting adjourned at 10:02 p.m.



Secretary Assistant Secretary



Chairman Vice Chairman