

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The January 9, 2018 meeting of the Board of Supervisors of the South Village Community Development District was continued and reconvened Tuesday, January 24, 2018 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida

Present and constituting a quorum were:

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

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
Matt Biagetti	Director of Aquatics & Recreation
Corey Hamlin	Regional Manager, Century Golf Partners
Josh Heintzman	Eagle Landing Golf Professional

The following is a summary of the actions taken at the January 24, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the continued 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

**Consideration of Request for Use of SVCDD
Common Area for Fundraiser Event Venue**

Mr. Biagetti stated at the last meeting I was provided a handout in regard to having an event on the green sponsored by the students at the high school for their canine carnival. Ms.

Krisit Baldwin, a teacher at Oakleaf High School, is here to address the board regarding the educational project and a request for assistance in hosting the event.

Ms. Baldwin stated I teach global perspectives and this class every year gets a chance to do a local project and I ask the question if you have a chance to improve your community what would you do. This year all three classes chose to do animals and I am more impressed with these kids than I have been in 18 years of teaching. These kids have gone above and beyond, they made fliers, made announcements about fostering animals, the adoption process, everything. They had a charity drive and we filled three vans full of items to take to two shelters that will be participating in the canine carnival. This Saturday we have 60+ kids with their parents volunteering at the Green Cove animal shelter. They have created an Instagram and facebook page to get the word out. The carnival is the culmination of everything that has been done so far. The hopeful dates are February 17th or 24th, the 17th would be better for them. It will be an hour set up before and an hour breakdown afterwards. There is a list of activities we will have, games, bounce house, dunking tank, music, raffle, prizes have been donated and face painting. The directors and trainers will bring all the animals and take them back.

Mr. Poole stated I would like our lawyer to speak to the issue of liability.

Ms. Baldwin the directors will bring cages and walking territories and they are not bringing any aggressive animals.

Ms. Buchanan stated normally when an event is held the organizer will have an insurance policy and name us an additional insured. I don't think this is a formal event so I don't think the school will be able to do that, we can follow-up to determine whether the shelters have insurance policies and can give us some comfort on that level.

Mr. Payton stated this paper says it is an adoption event.

Ms. Baldwin stated it is two-fold for the students it is for adoption and for me it is to teach the students.

On MOTION by Mr. Cross seconded by Mr. Hermening with all in favor the request for use of the green for the canine carnival was approved subject to final approval by district counsel on liability insurance.
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FOURTH ORDER OF BUSINESS

Review of Updated Scopes of Management Services

Mr. Oliver reviewed the slide presentation that covered the three current on-site management contracts for golf, recreation and operations, process timeline to issue proposals, rank proposals and interview proposers.

Mr. Oliver stated our timeline goal is for the Board to make selections prior to the August budget hearing. Over the next couple of days, I will refine the proposal solicitation documents so they can be released to the market of service providers. The most important steps going forward are the onsite meetings with potential proposers, addendums to be issued as additional questions are asked and supplementary information is requested. Once the Board receives proposals after the late March 2018 deadlines, , it can review the proposals. Based on that review, the Board can determine the next step, whether you are ready to make a decision, or perhaps paring down the list of proposers to the top vendors for a subsequent presentation at a CDD meeting. We will proactively reach out to companies that provide these services in Northeast Florida. In some cases, service providers may be statewide, regional or even national. If any board member knows of a company that provides these services, let me know so they can be invited to bid.

Mr. Cross stated in April we will probably have two meetings so we may want to continue a meeting. Mr. Cross asked would the onsite meetings be public so the board is there?

Mr. Oliver stated I prefer that they the initial meetings with potential vendors are working sessions limited to CDD staff and with those vendors. However, for each of these four functional areas seeking management proposals, it would be beneficial to have one Board supervisor for each one of those areas to participate. Having an elected official included in the process will give the opportunity to provide input from the executive level and I think it carries weight with the vendors, also.

Mr. Cross stated we probably need to decide tonight or at the next meeting which supervisors will be representing the Board at those meetings.

The board then discussed specifics of the scopes and suggested changes that will be incorporated into the final documents.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor staff was authorized to finalize the documents and issue the solicitation for proposals.

Mr. Cross asked do we want to determine which ones will be at the February pre-bid meetings?

Mr. Oliver stated the first one is amenities management February 20th at 10:00 a.m. and GM and operations manager at 2:00 p.m.

Mr. Krueger stated I will be there for the amenities management.

Mr. Payton stated I will be there for the GM and operations management.

Mr. Oliver stated the next one is golf management on February 22nd at 10:00 a.m. and food & Beverage is at 2:00 p.m.

Mr. Hermening stated I can do golf management.

Mr. Cross stated I can do the 2:00 p.m. food and beverage.

Mr. Oliver stated I will send out a recap of this discussion in the meeting notes so you have those dates and assignments for your calendars.

FIFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Krueger stated I have a couple questions that relate to the golf course. Where do we stand on the membership documents and when do we start offering memberships to new people who want to join?

Mr. Hamlin stated I received from our legal counsel a redline document. I'm waiting to see the rest of those from our legal counsel and we also shared those with your district counsel. Once both counsels are in agreement we can go ahead and make sure all those documents are in place.

Mr. Krueger stated it has taken a month so far.

Mr. Cross stated let's make it a priority.

Ms. Buchanan stated assuming I get comments in a relatively short time I should be able to turn that around before the next meeting.

Mr. Hamlin stated part of the conversations that Katie and I have had to make sure we do it correctly was whether it would be a promotional offer or a normal offer. We talked about the notice of process.

Ms. Buchanan stated most of the rates they are proposing to use fall within the range that we previously adopted so there won't be any modifications necessary. If there is a new category that we haven't previously adopted they are able to implement it immediately under the professional rate option then we have the opportunity to formally adopt it if we want to.

Mr. Hamlin stated it looks like they were adopted June 2016.

Mr. Krueger stated it is almost two years later and that is something we may want to review again.

Mr. Cross stated I think we should do it annually.

Ms. Buchanan stated we will circulate it. It is a relatively large range that they adopted.

Mr. Hermening stated right now anybody can join at this rate and I think we are missing categories. I'm not happy. The second issue with pricing is the change the club made on the all-inclusive pricing. We dropped our golf rate \$6 from what it was and we are giving people the opportunity to spend an extra \$6 to pay what they used to pay if they want to get the all-inclusive. On that call they talked about they had only 25% of the people have not opted to take the all-inclusive. In my opinion we are losing money. That is only on weekdays. I went in today had a drink after golf the server wrote me up as an all-inclusive person. I said I was not all-inclusive. We have no means of tracking and we are not tracking who is doing what and when I told the server I need to pay for this I saw her go into her personal pocketbook to get the change. I am of the belief that we should have kept the rates where they were and we are giving money away.

Mr. Cross stated I agree. Isn't it simpler to have that one rate?

Mr. Hamlin stated I can bring a breakdown of how all-inclusive works and how it drives rounds. We allocate \$6 in cost, we took away the \$6 we moved the rate from \$35 to \$29 to try to drive rounds, we felt an all-inclusive adds value to weekend rounds. We felt we needed to drive the \$52 or \$42 rate on the weekends we need to value add to hold that rate but on weekends we felt we could drive rates stand alone at \$29 and possibly capture \$6 in food and beverage revenue. The challenge is not driving weekend rounds the challenge is driving weekday rounds, how do we get a person to play Monday through Thursday. I can give a full breakdown on February 5th of how all-inclusive affects rounds but we are wholly dependent on 38,000 public rounds a year and we have to find ways to drive rounds and we were trying to do that with food now we are trying to drive rounds with rates and add food.

Mr. Krueger asked how does that compare to the competition?

Mr. Hamlin stated when we did the call with Mr. Hermening I gave a full breakdown of how our rate compares to seven other competitors. We were second in rate on weekends and third in rate on weekdays. We are totally dependent on 49,000 rounds a year 38,000 of those being daily fee rounds. Your competitors run anywhere from 25,000 rounds a year to 37,000 rounds a year. They are already missing 12,000 to 15,000 rounds per year at a blend from \$25 to \$30 and that is an impact.

Mr. Hamlin asked have you seen an increase in rounds since you lowered the price?

Mr. Hamlin stated we have a small sample with the weather we really haven't seen that.

Mr. Hermening stated my takeaway was they are the experts and I want to give some lead time to be able to determine this but if he comes back in February in two weeks and we are missing two weeks of this month because of weather so we give them another one if we are losing money now we are pushed to April and then we have a change and we have to notice that then we are in May before we get it fixed.

Mr. Heintzman stated the price that was going to golf is still going to golf, we took the food away. The impact to rounds if there is a decrease in that revenue it would come from people not playing.

Mr. Poole stated you really have to be able to track what is happening with the money and the fees.

Mr. Hamlin stated I can provide information to show how many times Kelly plays weekdays versus weekends versus mornings versus afternoons.

Mr. Hermening stated but you can't tell me how many beers I have had.

Mr. Hamlin stated we need to tighten our processes.

Mr. Poole stated find an adequate mechanism to track and measure what you do and until you get to that point everything else is kind of a hypotheses.

Mr. Hamlin stated I will provide at the next meeting what we included for all-inclusive expenses versus rounds.

Mr. Krueger asked when do we have to have the driving range sodded?

Mr. Hamlin stated Steve Andersen should have an update in February.

Mr. Krueger stated Steve and I and Vallencourt walked the area and we told them what needed to be done and apparently Vallencourt is dragging their feet.

Mr. Cross stated let me talk to Mike he is the owner.

Mr. Hermening asked can't we get a letter from legal to them that they have been paid but the work is not done.

Ms. Buchanan stated yes but I would like to discuss my concerns about that after the meeting.

Mr. Poole stated Steve did a lot of coordination on this activity so why don't we give him some deadlines to make the situation whole.

Mr. Cross stated I need to know a date by which these things have to be done.

Mr. Hamlin stated I will ask Alan Slaughter tomorrow.

Mr. Payton stated there were some invoices they are asking us to discuss and pay as per our new process for that.

Mr. Oliver stated Steve discussed with me yesterday or the day before that he had a number of capital invoices that he wanted to get processed as requisitions, but we wanted to bring the invoices to the board first. This is based on the is matter that was discussed last meeting about the gym equipment was that was the final payment. Many of these are down payments, some are progress payments and some are for electrical service. None are for final payment as was the gym equipment. If there are any invoices on that that catch your eye, we can discuss in more detail. Otherwise, based on the information that I just provided, Steve and Keith can start the process to prepare the requisitions and then have them certified. Again, the big sticking point of what we discussed at the last meeting was the fact that it was the final payment. In the future, to maintain leverage over vendors or contractor, we want to be careful not to relase final payments until goods or services are determined to be complete and satisfactory .

Mr. Payton stated he wants two checks for the electrical. Is one a final payment?

Mr. Oliver stated he wants to hold the checks and give the down payment now and hold the final payment check.

Mr. Payton stated then we are doing the same thing.

Mr. Oliver stated we can just approve the first check.

<p>On MOTION by Mr. Payton seconded by Mr. Cross with all in favor all the invoices were approved except the second payment for Digital Security Systems and pay only the first 50% to the cabinet contractor and hold 50%.</p>

Mr. Hermening stated we have a serious heating and a/c issues at the clubhouse. He is still working on that and I believe he has been in contact with Jim to get other names.

Mr. Oliver stated I asked our operations side to provide additional HVAC contacts.

A resident asked once the documents are finalized for the bidders, will you be able to publish those?

Mr. Oliver responded yes.

A resident stated I didn't see in the RFPs anything that was branding of Eagle Landing that whoever comes in whether it be one or four vendors that they will be working to brand and improve Eagle Landing rather than their own little pieces. There needs to be one cohesive goal and that goal is to improve Eagle Landing for all of the residents. It basically lays out and explains it to all these different vendors.

I don't see anything that says that maybe a preference would be to have one vendor do everything. That would generate a better review from the board than any individual pieces.

Mr. Cross stated to your first point I think that is going to be management letting them know that is our goal to brand the second part is I don't know yet whether I want one person to run everything. They have that choice to bid it that way.

Mr. Payton stated I feel the same. Are you making an assumption that there is better value if one company manages the entire place?

A resident stated I'm making an assumption from a resident's perspective I want to see the entire entity improve and to do that part of it is branding and part of it is cohesiveness between all the different management organizations or if you want to call it the Eagle Landing organization.

Mr. Cross stated I think we can also achieve that through a general manager if we had one, that would be his job to make sure they work together as a team. We may end up with one we don't know yet.

A resident stated if you are going to go separate then you have to explain that the general manager is like the general, that person is the person that everyone else reports to.

Mr. Payton stated it is explained in one of these documents, it talks about the structure.

A resident asked if there are no bids for a general manager, what are you going to do?

Mr. Cross stated that is a bridge we will cross when we get there. We don't know that we are going with that option we are still looking at whether we want the board to control it or hire a general manager.

Mr. Payton stated the basis to have the open ended RFPs is because this district has never bid these contracts and we are still working with the same management company that was here from day one. I don't know the value of our amenities contracts and is it better to be one or better to be separate. I'm looking forward to people coming in and bidding that and we will decide what we think.

A resident stated I recommend for the general manager position that you contact veteran organizations and see if there is a retired major or colonel that may be available.

Mr. Oliver stated the idea of military veterans with leadership experience is a great idea. In these solicitations, the CDD is trying to hire an individual, but rather contracting with a company that provides general management services. If there is a personnel issue with the GM which is not satisfactory for the CDD, it will be the contracted company's responsibility to replace the GM with someone else.

A resident stated thanks for finally fixing the exit to Eagle Landing. On top of what Kelly was saying about the lack of control on the all-inclusive cards it also carries over to other things in the restaurant. The night of the wine tasting there were eight couples at our table of the 45 people and nobody was asked to pay the \$15 fee. I find that interesting that you are trying to make things work and nobody had a clue that they were supposed to pay.

Mr. Hermening stated I think one of the things moving forward and lessons learned is that Dan is looking at is if we have reservation type things that costs dollars to charge our cards. We ran into the same thing for new year's they did a good job of collecting money for the first hour but not when people showed up later. I know that not everybody paid.

A resident stated I represent the Golden Eagles and we are planning on putting on a function and were working with Dan for quite a while and we had a tasting last night with 19 people selected to taste what the new menu was going to be like. It came out very well, it was presented very well and the tastings went very well. One of the problems is we were planning to put together a Valentines Day party and one of the concerns was when we went back to the fact about the holidays we had during Christmastime involved getting money. We pretty much talked to Dan that we are going to require that they pay upfront automatically. If they want to


decide not to go that is fine but the money you paid in will go because somebody has to cover the cost of the food, time and beverage and things that go in. I think we were all in agreement on that and that is what we are trying to do to counteract that situation to make the funding is there for these functions.

SEVENTH ORDER OF BUSINESS

**Next Meeting Scheduled for Tuesday,
February 6, 2018 at 6:30 p.m. at Eagle
Landing Residents Club**

Mr. Oliver stated the next meeting is February 6, 2018 at 6:30 p.m.

On MOTION by Mr. Krueger seconded by Mr. Poole with all in favor the meeting adjourned at 8:06 p.m.



Secretary/Assistant Secretary

Chairman/Vice Chairman