

MINUTES OF MEETING
SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The December 6, 2022 meeting of the Board of Supervisors of the South Village Community Development District was continued and reconvened Monday, January 2, 2023 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida

Present and constituting a quorum were:

Chris Payton	Chairman
Glenn Warren	Vice Chairman
Allan Brink	Supervisor
David Frechette	Supervisor
Jennifer Osbeck	Supervisor

Also present were:

Marilee Giles	District Manager
Katie Buchanan	District Counsel by telephone
Jim Hahn	General Manager, Honours Golf

The following is a summary of the actions taken at the January 2, 2023 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles 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

Discussion to Reformat the Budget

Mr. Payton stated this is an opportunity for the new board members to ask questions about the budget. As proposed at the last meeting we did bring in the 2019 budget that was prior to Troon coming on board and I propose we move back to a similar format. It will be easier to read and for people who have questions about the budget. We also have one from the Crossings that is a similar format to the 2019 budget. It is also an opportunity for board members to suggest any edits or anything they thought was missing from the budget.

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Currently, the majority our income is from tax roll assessments. When that income comes in we take it and is immediately goes into different funds. I propose we leave it in the general fund until it is needed to be moved out except for the debt service fund because the debt service fund is going to be paid. As far as rec fund, golf fund and capital reserve, we can see monthly or quarterly however often you decide to move it. My other reason is we also have as part of the assessment collections what we consider social dues, which is \$358,000 that typically gets immediately transferred to the golf fund and I propose that we hold that until the end of the year they come to us and say we are short \$120,000 and then move \$120,000 to the golf fund.

Mr. Hahn stated then you hold the \$358,000 until the end of the year and if there is a surplus it goes back into capital fund.

Mr. Payton stated the capital fund or whatever the board decides.

Mr. Hahn stated the only problem with that is payroll comes out in increments, there needs to be some form of funding that is in place. Payroll goes out on a Saturday for example, gets held on Sunday to release and there needs to be an immediate release of the cash to get into the bank so all the checks can be cleared. You may want to give a dollar amount to carry out the payroll.

Mr. Payton stated I'm not suggesting it would require board action to move money. You have to operate the budget, but I would like to see it move with the exception of the social dues. At the end of the year the board should say, whatever the operations of the golf course are running at net negative \$72,000 for the year then at a meeting we should say we are going to move that money and bring that to zero. As far as payroll and normal operating expenses I would think that you would work with the accountant to make sure the money is there whether it is quarterly or monthly. Rather than one lump sum show those movements.

Ms. Osbeck asked how would we see that?

Mr. Payton stated you can see the different columns on the 2019 budget and we would add a transfer out at the bottom. Other sources for expenditures we had a transfer out to rec and golf, we didn't show it because they were already transferred out. My proposal is it would be whatever the amount is for whatever column and actual and projected. We would see those numbers moving out of the budget, out of the general fund into whatever fund they are going.

Mr. Hahn asked as far as day to day revenues coming in, that is still going to go into the Wells Fargo Bank account that is set up to absorb those funds.

Mr. Payton stated yes, the only day to day revenues we have coming in are in golf.

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Mr. Hahn stated those revenues will still go in we would operate off those revenues and if there is a need to fund, we would ask the general fund for a reimbursement.

Mr. Payton stated yes, you should be running the golf side of the house. You have plenty of revenue and if you need funds from the general fund we will be able to see that moving over. If there is any revenue coming in the rec fund that can stay in the rec fund.

Mr. Hahn stated right now all the assessments get transferred into a bank account at Wells Fargo and we draw from that, now we will withdraw from your bank account when we need it.

Ms. Giles stated when the assessments come in Patti moves it into five funds, debt service, general fund, capital reserve fund, swim & tennis and golf. As it comes in, she disburses it to those fund accounts.

Mr. Payton stated we are not going to solidify anything tonight. If Patti has an issue and say it is going to be difficult to do from an accounting standpoint and she has a different suggestion, we will talk about it at the next meeting.

Ms. Giles stated I think what you just described is on the bottom of page 8, the rec fund, the intrafund transfer in you can see where projected over the next two months and projected by the end of September. I think that is what you were describing.

Mr. Hahn stated a lot of the months operate at a deficit and some months operate at a positive. It should be easy for the accounting people to realize come January or February there is going to be more need to funding then March, April, May where the revenues are going to cover pretty much everything we need for those months then you keep all the revenues until we deplete that.

Ms. Giles stated what I'm hearing you say is that most of what is already on here in 2019 format is what you are asking for.

Mr. Hahn stated the other piece is I will consolidate it and have a one page P&L. All we need to do is condense our budget into a one pager like this and that should be easy for them to do in your office or we can do it in our office.

Mr. Payton stated specifically for the golf fund because today there are two spreadsheets we get, the landscape version, month by month, convert that because basically it is a budget summary. Put security under the general fund. Anything that is neighborhood wide is a general fund item. Move café to food and beverage.

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Mr. Hahn stated from an auditing standpoint we have to keep the rec fund separate from the golf club. One of our audits said we were not doing it property because we put all funds together and they made us take them out and have two separate funds, one for the rec fund and one for the golf club. I will find out what they made us do.

Mr. Payton stated it should all be food and beverage. If we had a food and beverage fund and separated that, what difficulties are there? I know there is a lot of intermingling between golf and restaurant.

Mr. Hahn stated the only thing from a food product standpoint is being able to watch cost of goods. If we lumped it together you are going to see one cost of goods but it is not going to tell you the cost of goods in the café or pro shop or restaurant. You wouldn't be able to do that.

Mr. Payton stated even if we made a food and beverage fund, under that fund you would have them separated. I'm sure Joe is doing that now. I also don't like when we break things up that are very similar. If I wanted to get a true picture of what we are spending on janitorial supplies I need to add up different places that say janitorial supplies.

Mr. Hahn stated we are going to continue to create the P&L we create, which is 27 pages so you would be able to look at that plus the summary page and dig into it if you want to see what is going into a category.

Mr. Payton stated we are going to leave an open item on the agenda for a while for budget.

Ms. Giles stated while you are still talking about those common items to put together under the general fund, security, janitorial and office supplies. Even on your current budget it has utility, all the meters are broken out. Do you want that under common also?

Mr. Payton responded I think that is all under general fund.

Mr. Hahn stated we get a different bill for each meter and all those meters are put in electric for the rec to cover the clubhouse, barn, cart barn, two bathrooms on the golf course on part of the golf budget and the utility bill gets put into one category, electricity.

Mr. Payton stated I'm fine with dividing it between rec and golf. The description page should say for golf this is the electric bill for account this and account this.

Mr. Hahn stated we can summarize it that way.

Ms. Giles stated in 2019 it was broken out to the rec fund and golf fund.

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Mr. Hahn stated we will get Patti and Betsy together and explain what the board wants. It sounds like Patti is going to have a better understanding how to create this document, we just need to make sure we tell her what goes in each category so there is a description for it.

Ms. Giles stated Patti’s email says as long as she has everything at least 10 days prior to the meeting and our financials are always a month behind. Chris if you would like we can use the 2019 and scribble on it and come up with a draft and you can comment on the draft.

Mr. Payton stated I agree, target the February meeting for that.

Ms. Giles stated I wasn’t able to nail down a cost from GMS for this project, it didn’t sound like it was going to be much. It will depend on the difficulty that Patti has taking whatever you send her and changing it over.

The board and staff discussed the impact of the minimum wage increase over five years, ways to increase revenue, ways to decrease expenditures in golf and restaurant, membership, trail fees, dues, and green fees.

Once the proposed format is received by the board members they may come up with further suggestions.

FOURTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

FIFTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

**Next Meeting Scheduled for Tuesday,
January 3, 2023 at 6:30 p.m. at Eagle Landing
Residents Club**

Ms. Giles stated our next meeting is tomorrow at 6:30 p.m. in the same location.

On MOTION by Mr. Payton seconded by Mr. Warren with all in favor the meeting adjourned at 7:39 p.m.

January 2, 2023

South Village CDD

DocuSigned by:

Marilee Giles

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Secretary/Assistant Secretary

DocuSigned by:



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Chairman/Vice Chairman