

MINUTES OF MEETING
SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, July 11, 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
Matt Biagetti	Director of Operations, Honours Golf
Jim Hahn	General Manager, Honours Golf
Josh Heintzman	Golf Professional, Honours Golf
Joe Halifco	Operations, Honours Golf
Several Residents	

The following is a summary of the actions taken at the July 11, 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

Mr. Smith asked do you plan on discussing the \$194,000 golf fund shortfall or are you going to let that go? I also suggest to the board for future looking, in the past you have looked at the golf operations being subsidized by the residents, but you need to change your overall view of golf operations for future budgets and make it a break even on a cash flow basis not taking into consideration related overhead, it should be cash flow positive.

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THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 6, 2023 Meeting

On MOTION by Mr. Brink seconded by Mr. Payton with all in favor the minutes of the June 6, 2023 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Update Regarding Open Items

A. Update on Phase 5 Construction

Mr. Biagetti stated Dream Finders did finally respond that they hope to have time in the next few weeks to get things going on the monument signs. In the meantime, we opened the conversation between River City Advertising and M&E Masonry who have done the existing monument signs throughout the district. We have a good price on the actual lettering, but are waiting on the brick part of it.

Mr. Payton asked Katie do we have an update on our conversation with Dream Finders

Ms. Buchanan stated no, we reached out to them to get feedback on a proposed release and resolution of the amounts due to them, but they are still evaluating it.

B. Outdoor Fitness Station

It was the consensus of the board to remove this item from the agenda.

FIFTH ORDER OF BUSINESS

Consideration of Proposals for Golf Cart Lease or Purchase

Ms. Buchanan stated you can score the proposals independently, I suggest you have your golf professional review the bids at a high level and the board can undertake discussion about the options and you can either have the golf professional make recommendations or you can have a single board member make recommendations.

Mr. Hahn stated both Club Car and EZ-Go are good companies and Troon has discounts with both. We are dealing with lithium batteries that have a much longer battery life and are guaranteed for five years, we asked for a straight lease with no GPS system, 54 and 60 month leases and asked for one with a GPS system as well. To save money on a monthly basis, our recommendation would be a 60-month lease and the EZ-Go total lease cost per year is \$104,000, we are presently paying just under \$80,000. Cost of the Club Car lease for 60 months is \$100,000, about \$4,000 less annually. If you are looking at the GPS system the cost is about \$138,000 from

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EZ-Go and about \$142,000 from Club Car. We presently have EZ-Go, we are very comfortable with the service from EZ-Go, we are more comfortable with the battery life with Samsung battery versus Vanguard, but both are very good carts.

After board discussion of the overall bids, GPS option, cost per round, timing of rounds, control of golf carts, golf carts on parts of the course where prohibited, ability to order food in advance to not back up play, number of public rounds, revenue projections, need to increase rates/cart fees, amount of increase to cover the GPS, find funding, condition of current carts,

Mr. Payton's scoring: experience gave both 20, scope gave both 10 points, schedule of delivery is about the same, gave both 25 points, the only difference is price. If we are looking at GPS 60-month lease Club Car comes in at \$11,800 per month and a total of \$709,000, EZ-Go \$11,500 per month or a total of \$694,700. EZ-Go 45 points and Club Car 40 points, which puts them at 95 and 100 total points.

Mr. Brink stated I had about the same numbers 45 and 41.

Mr. Frechette stated I had similar numbers.

On MOTION by Mr. Payton seconded by Mr. Warren with all in favor the evaluation of the proposals prepared by Mr. Payton was accepted and EZ-Go was awarded 100 points and Club Car was awarded 95 points and the chairman was delegated the authority to finalize the lease with EZ-Go.

SIXTH ORDER OF BUSINESS

Consideration of Proposals for Golf Cart Maintenance

Mr. Hahn stated the next lease is the equipment lease for the golf course. We are looking to replace certain pieces of equipment that gets used on a regular basis and are required to be replaced after five to six years. We had bids from three Toro vendors, WestCoTurf, LL Johnson and Jerry Pate for the same equipment. Westco came in at \$503,469, Johnson came in at \$506,191 and Jerry Pate came in at \$504,606. You won't see that number in Jerry Pate's bid because they don't show the discount until the day of purchase because their retail prices have changed rapidly they won't lock in. Of all these companies selling the same Toro equipment, the only one that locked in their price was WestCo and that is good because we can lock in the price even though we won't get the equipment for another 12-13 months. The discount you are receiving from these

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vendors is a 30% discount from retail. The discount from the state bid was 22%. You are receiving 8% more discount through Troon than with the state.

We did budget for replacement of a little over \$11,000 in our maintenance budget to cover the cost of the lease. That is in the budget but we don't need the equipment until next summer, we have a 9-10 month savings in equipment lease that will help from a financial standpoint that could help with the cart increase. What we save in the equipment lease the extra cost for the carts will be a net gain in our budget, between cart lease, equipment lease and maintenance.

After discussion and risk of self -financing, options on delivery, Mr. Brink read into the record his scoring on the equipment leases: All received 20 points for experience, all received 10 points for understanding scope, all the same on schedule, the pricing, Westco was the best price and locking in the price, received 45 points, 35 points for the other two resulting in 100 for Westco, 85 for Johnson and 90 for Jerry Pate.

On MOTION by Mr. Warren seconded by Mr. Brink with all in favor the scoring provided by Mr. Warren of WestCo Turf receiving 100 points, Jerry Pate 90 points and LL Johnson 85 point was approved and Supervisor Warren was authorized to work with staff on the lease.

Ms. Buchanan stated our firm will send out notices to the vendors that did not win and if they don't file a bid protest in 72 hours they will have waived their opportunity to challenge.

SEVENTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2022 Audit

Ms. Giles stated the auditor's opinion is that the basic financial statements present fairly in all material respects the financial position of the district as of September 30, 2022. During the audit they did not identify any deficiencies in internal controls considered to be a material weakness. In the management letter there was a finding in the prior year audit and the corrective action is to monitor for compliance and there were no current year findings and this is considered a clean audit.

On MOTION by Mr. Brink seconded by Mr. Payton with all in favor the fiscal year 2022 audit was accepted.

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EIGHTH ORDER OF BUSINESS**Discussion of Fiscal Year 2024 Budget**

Ms. Giles stated we left this on the agenda to continue discussions on the FY24 budget. What changed from last month is on PDF page 92 the capital reserve fund. We wanted to make that a more clear picture of what we have in the capital reserve fund, what is anticipated to come in and what is anticipated going out based on the capital improvement list.

The board discussed the changes under revenues: source of initiation fee revenue, transfer from golf. Rather than put the equivalent of the social dues into the golf fund, put it in the capital reserve. If there is a deficit in the golf fund transfer a portion of those funds to the golf club to bring them to zero. If there is a surplus they wouldn't need that money and it would remain in the capital reserve. Currently we fund golf course projects out of the capital reserve fund. Move \$358,060 from the golf course to the capital reserve fund.

Mr. Brink stated we talked about this a while ago and it was a great idea.

Mr. Hahn stated from an operational standpoint there needs to be enough in the account for Troon to pay all the bills for a given period. That assumes every month will be profitable, but not every month makes money. There could be a deficit on a monthly basis. Maybe leave a much smaller percentage in there to make sure we are covered. We can look at the NOY is for a given month and determine that based on a three month period and if those three months add up to a negative, we can look at funding that negative amount from an NOY standpoint.

Mr. Payton stated I think if the board is okay moving these funds that leads us into a different discussion about the golf course/restaurant goals because the goals would change because we are taking \$350,000 out of your budget. You will have to consider are you making enough revenue every month to cover your expenses.

Mr. Hahn stated that would mean we cut expenses and payroll if the revenues weren't there. If the objective is to give us no money and us run an operation, do you want it to break even, then the operation may change, staffing levels may change. Clearly there are months that there is not enough revenue to cover expenses. The spring generates more revenue.

Mr. Warren stated there are a couple things the golf course is paying for but should be over here. Resident appreciation is \$48,000 and the golf course is paying for that. Some of the taxes is under the golf account and the property is over here. We need to get those things corrected before we approve the budget.

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Mr. Payton stated tonight is the time to make those changes. We can always move money from fund to fund.

Mr. Warren stated we need to figure out what needs to be pulled out of golf.

Mr. Payton stated I agree the resident events, we had one at the pool and that is not a golf event, it is a neighborhood event.

Mr. Hahn stated we can work with a board member and make those changes and adjust the budget. The difference in expenses for the equipment lease, cart lease and we feel we can increase our revenues to cover the cost of the cart lease.

The following items were discussed: Increase green fees, member dues and trail fees, adjust resident appreciation dollars, it would be close to a 6 figure impact by those adjustments, list of those items that can be moved out, property taxes applicable places that generate revenue such as the restaurant, minimum wage impact.

On MOTION by Mr. Warren seconded by Mr. Payton with all in favor staff was authorized to move the social dues from the golf fund to the capital reserve fund.

Ms. Giles stated staff with work with the two accountants to capture the changes that Mr. Hahn is putting together.

NINTH ORDER OF BUSINESS

Consideration of Conveyance of Common Area Tracts

Ms. Buchanan stated the board had requested that this be a special warranty deed that gives you a little more protection. The developer went ahead and recorded a quit claim deed without our final signoff. Given the actual type of the property, signposts and one lake bank access area, I don't think it is worth the fight to try to go back and forth and change the form of agreement but if someone disagrees and wants me to pursue it, I will do that.

Mr. Payton stated on a related note, in the past we received numerous complaints on the sale signs on those pieces of property we now own. I would like to remove them.

TENTH ORER OF BUSINESS

Consideration of Resolution 2023-08 Surplus Equipment

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Ms. Giles stated Katie has provided a summary of the three different options to choose from. We have found out that the surplus equipment is worth less than \$5,000 we are just waiting on the itemized list of those items.

Ms. Buchanan stated I think your options are surplus property valued at less than \$5,000 or more than \$5,000 as outlined in my memo. If there is a question on the value, just publish the notice and be done with it.

Mr. Warren stated I think Exhibit C is what we want to be covered.

Ms. Giles stated it takes a week’s notice to get it in the paper.

On MOTION by Mr. Payton seconded by Mr. Warren with all in favor Resolution 2023-08 was approved and Mr. Frechette was authorized to work with staff on this item.

ELEVENTH ORDER OF BUSINESS Discussion of Suspension Letter

Ms. Giles stated there is one suspension letter and the other one was enforcement of amenity privileges, both are minors.

Mr. Biagetti stated the first one is a suspension, a juvenile shown on our footage taking a bike from the bike rack and returned it the next week and that is how we identified the suspect. We handed out the initial suspension knowing we would have this meeting and the letter would go out. I recommend a six-month suspension for this individual as we have done with all thefts. I have that as May 31st and would make that through November 30th.

On MOTION by Mr. Payton seconded by Mr. Warren with all in favor staff’s recommendation of a six-month suspension for all amenities through November 30th was accepted.

Ms. Giles stated the second one is enforcement of amenity privileges, also a minor. There is no action.

Mr. Biagetti stated he is currently suspended on a different situation. There is no further suspension, it is just that you are already suspended, don’t trespass on the golf course.

TWELFTH ORDER OF BUSINESS Staff Reports

A. General Manager - Report

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A copy of the operations report was included as part of the agenda package and included the operations of the amenity center, athletic center, tennis facility, golf and clubhouse operations, common areas and retention ponds and landscaping.

B. District Counsel

There being none, the next item followed.

C. District Manager – Discussion of Fiscal Year 2024 Meeting Schedule

On MOTION by Mr. Payton seconded by Mr. Warren with all in favor the fiscal year 2024 meeting schedule reflecting meetings on the first Tuesday of the month was approved.

D. District Engineer

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Supervisor’s Requests

Additional comments: amend amenities policy regarding proper pool attire, and add aqua socks to policy, staff to edit policies that are in document not being practiced, add policy and penalty phases for kids trespassing on golf course to use basketball court or pool will not be allowed to use those facilities, proposed change for required attire restaurant employees/golf course facility to exclude yoga pants and to wear appropriate footwear not crocs with holes in them, Take out Tuesday food trucks should be moved, easement issue on Royal Pines that has been over cleared staff to follow-through on planting of trees and continued monitoring, follow-up on property on Crooked Trail and involve the engineer if it appears to encroach, update on island is the soil is very acidic and not worthy of new plant material, vegetation will be ripped out and replaced with fresh mulch, feedback on pricing of pickleball, update Eagle Landing events on Facebook, issues with selling advertising space, markers on golf holes/sand bunkers, marijuana use at cabana bar, parking spots at soccer field.

FOURTEENTH ORDER OF BUSINESS Audience Comments

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Additional comments: Smoking at adult pool, Jacksonville Jazz Society event fees, fees to non-profits, update fee policy, rental policies on adult pool, after hours rentals, location of and plan for pickleball courts, outline responsibilities of pros, staff’s help with events, outside basketball area, ideas to generate more revenue, condition of dog park.

FIFTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of May 31, 2023 and Statement of Revenues and Expenses for the Period Ending May 31, 2023

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. Payton seconded by Mr. Brink with all in favor the check register was approved.

SIXTEENTH ORDER OF BUSINESS Next Meeting Scheduled for Tuesday, August 8, 2023 at 6:30 p.m. at Eagle Landing Residents Club

Ms. Giles stated the next meeting will be held August 8, 2023 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 9:25 p.m.

DocuSigned by:
Marilee Giles
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Secretary/Assistant Secretary

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Chairman/Vice Chairman