

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 2, 2024 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
Joe Halifco	Operations, Honours Golf
Ernie Cruz	Honours Golf
Several Residents	

The following is a summary of the discussions and actions taken at the July 2, 2024 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 stated I appreciate the board taking another look at the budget and it looks like you were able to slightly improve the loss compared to the original. It is still \$148,000 in the red. Look at the food and beverage categories and I suggest if you ran your own business, you would make adjustments so you didn't grow the loss. I challenge the board and Jim to figure out a way to make that increase in revenue a net number and decrease in expenses. You reduced the budget

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by \$6,800 year over year for clubhouse maintenance and you zeroed out a line item for third party work. I question whether that was a wise decision to reduce something that is a maintenance line.

A resident asked how many mixers are in the 25 budget?

Mr. Payton stated I think there are two.

A resident asked what fund is that?

Mr. Payton stated it comes from the rec fund.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 4, 2024 and June 18, 2024 Meetings

On MOTION by Mr. Payton seconded by Mr. Brink with all in favor the minutes of the June 4, 2024 and June 18, 2024 meetings were approved as presented.

FOURTH ORDER OF BUSINESS

Discussion of Suspension Letter

After discussion of the circumstances of the suspension, minors previously suspended for six months and input from a family member the board took the following action.

On MOTION by Mr. Brink seconded by Mr. Payton with all in favor the suspension from all district amenities was extended to six months from the date of the letter of suspension for the two minors.

FIFTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2023 Audit Report

Ms. Giles stated in the letter to management it reports under prior year findings, a recommendation from 2021 the district monitor the expenditures and this was the special revenue funds, the rec fund exceeded the budgeted amount. It also identifies the current status, again the special revenue fund exceeded the budgeted amount. We could have done a budget amendment. I talked to the accountant earlier today and she recommends the closer we get to September we monitor a little more closely and if we overspend, we amend the budget to show that. It is a clean report, they just pointed out in 2021 and 2023 we did overspend in the rec fund.

On MOTION by Mr. Payton seconded by Mr. Brink with all in favor the fiscal year 2023 audit report was accepted.

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SIXTH ORDER OF BUSINESS**Discussion Items****A. Fiscal Year 2025 Approved Budget**

Ms. Giles stated we had the continued meeting, went over the budget, inserted a summary page behind the table of contents and made some changes within some of the lines; the assessments stayed the same.

Mr. Payton stated I think someone on the board asked for a breakout of the café and the cabana bar into two separate lines on the summary page and budget itself. I see a \$147,000 loss in the golf fund.

Ms. Giles asked is there a concern on breaking out the café and the cabana bar?

Mr. Biagetti stated not on the revenue that is easy to break out. I believe in the updated budget it is specified as cabana bar wine, cabana bar liquor and cabana bar beer. We can tell when it is sold out of the cabana bar. The past expenses lumped in for this last year, a control factor on the cost of goods is difficult because we house all the beer at the cabana bar and the café and cabana bar take what they need from one lump sum. Same with other goods, cleaning supplies, cups, whatever it might be.

Mr. Payton asked do you want to see bulk expenses and revenues or just revenues?

Ms. Osbeck stated if our costs impact our revenues, it would be imperative to know the costs.

Mr. Warren stated I understand the café may take more of a loss because that is more to serve the pool. The cabana bar should at least make a profit. If the cabana bar is losing money then we have to have that discussion of extended hours. The cabana bar should run at a profit. We want to see if the cabana bar on its own makes a profit or not.

Ms. Giles asked is that something starting October 1st we can do?

Mr. Hahn stated yes. We can go back and estimate and going forward we can start classing it as cabana payroll and café payroll, same with expenses. We buy paper products in bulk but if we had two separate accounts we could make minor adjustments and give you a ballpark. I can have that ready to go for the new fiscal year.

Mr. Payton stated this is the 2025 budget every number on here is a projection. We are not asking you to go back and change numbers, but starting in the 2025 budget, things need to be broken out.

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Mr. Hahn stated at the June 18th meeting the task that was given to us is to get to a break-even standpoint. We are going to change some of our structures, some staffing and wholesale changes, even meals for all our staff and how that could change. We spent the last two weeks working with our department heads, and making sure they are on board and comfortable with the changes you are recommending and changes we talked about. All department heads are comfortable with the changes we made and the handout gives you the original budget that was approved at the June meeting and the break-even budget and I tried to show you every line item and variance between the original budget and the break-even budget. We changed our entire food offering, senior staff gets a \$5 meal. We looked at all revenues. From the expense standpoint we looked at every department, every payroll line, all event lines and we feel very comfortable that the changes we made are different from the structure you had in place. We talked the last couple of years that we may have to change the structure that we run because of the inflation, the minimum wage increase, department of labor approved the increase to the salaried. We can discuss any questions you have but that is what we feel we can do from an operational standpoint. Based on what I have given you the golf club will be a break-even.

Ms. Osbeck asked were we able to do anything with the rec fund.

Mr. Biagetti stated the board gave us direction to reduce the \$111,000 by 30% and I think we did that. We increased revenues a little bit in areas. This does change the way we staff; it is eliminating one for the athletic center at a \$25,000 savings by eliminating the float position. Same with swim, it is \$5,000. We looked at the highest rates of use by residents and currently we have lifeguards Monday through Sunday, they come in after school Monday through Friday and pool staff on the weekends. We did a reduction on how many lifeguards on Friday Saturday and Sunday because in April and October our usage doesn't warrant after school guards and that will save \$5,000. We reduced administration by \$8,000 with all marketing that is based on a new food and beverage offering to staff and department heads.

It was a collaborative effort and the team agreed.

Mr. Warren asked have you looked into government pricing for telephone, computers, internet, etc.?

Mr. Hahn stated we have some of the pricing for our garbage disposal, we are looking at credit card fees.

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Mr. Warren stated I would like a monthly update on that and you can add to the agenda what you are doing on that.

Ms. Osbeck asked because we approved the budget are we going to add a line that our goal is to meet these new numbers?

Mr. Payton stated I was going to ask that. Between now and the next meeting we are going to make these changes to the budget.

Ms. Giles stated we can, is that what you want to see?

Mr. Payton stated yes.

Ms. Giles stated the \$358,000 for special assessments under the golf fund is going to be moved to the capital reserve fund.

Ms. Osbeck asked is it possible to update the summary page every quarter so we can see how we are doing?

Ms. Giles stated that may be on the financials. We can probably take the summary page and update it quarterly and call it a quarterly summary page, maybe.

Staff will work on narratives, on utilities.

B. South Village CDD Amenity Policies

Mr. Payton stated our policies were written by the developer when the developer ran the place. They are not too well written and we have made many amendments to those policies. The more changes we make to the existing document it gets even harder to read. We are looking to revamp and update, not necessarily changing the policies, unless we want to make changes to the policies we can do that as well. I like the Durbin Crossing one, at least the content of it, I like how it is formatted and written. I like how they divided all the different amenity areas within the sections, ours is very broken. I don't want to adopt any of the different policies I think our policies are okay. I like the format of it, it is easy to read and if I want to know what rules apply to basketball, I can find that. In ours it is broken into two different areas.

Mr. Warren stated maybe this is the time to include things such as kids cutting across the golf course, lose privileges.

Mr. Payton stated we can rewrite the current things and highlight places where we have amended a policy.

Ms. Giles stated we can add a smoking policy.

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C. Capital Reserve Minimum

Ms. Giles stated Chris found in the meeting minutes of July 2021 where the board approved a capital reserve floor of \$700,000. At your last meeting we talked about \$750,000. This is the board’s opportunity to discuss that. I did some simple math and if we add the \$358,000 back to the capital reserve it will bump you back up to around \$843,000 in your capital reserve.

Mr. Payton stated we found the meeting we were searching for and we did a vote then so that has been established. Do we need a document to hold that or do the minutes serve as that?

Ms. Buchanan stated I suggest we have an action so we can find it, easy reference it. Had you not been able to pull the meeting minutes, had you not been able to we might not have put our hands on it and would have lost track of it. It is easier to go back and look at references that have been memorialized.

Mr. Payton stated we don’t need to do anything. We can just create a document based on the minutes of that prior meeting.

Ms. Buchanan stated I think it is fine, we can do a very short policy if you want us to do that.

Mr. Payton stated the number is fine.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. General Manager - Report

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, retention ponds and landscaping.

B. District Counsel

There being none, the next item followed.

C. District Manager – Discussion of Fiscal Year 2025 Meeting Schedule

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

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D. District Engineer

Mr. Biagetti stated Alex has the general plans of where the Laurel Valley monument signs are going and he is preparing documents so that our contractor can submit to the county for a permit.

EIGHTH ORDER OF BUSINESS Supervisor’s Requests

Additional comments: MGA, now that it is broken up the first group is leaving and not waiting for the second group. we are sacrificing potential money, they are playing earlier, accommodate all members not just MGA, staff directed to remove signs for sales center/welcome center from district property, island needs to be mulched, use pop guns to keep birds from coming back in the fall, tear down old nests, cleanliness of gym floor, treadmills are breaking, not enough tee times on Sunday, send members with questions to Mr. Warren who is working on the tee time issue, setting up more user friendly signs, members concerned about conditions of greens 8, 9 and 18, caused by weather conditions and fungus, new carts driving on private property, not every hole is geo fenced, ball collection tool, have security drive around the golf course upon arrival to remove trespassers, water fountains at tennis courts, island trees, amenity services RFP.

NINTH ORDER OF BUSINESS Audience Comments

Additional comments: Concerned about the children being suspended, input on revenue suggestion, reason for police presence at Juneteenth celebration, number of mixers, number of rounds of golf, golf course security is great idea.

TENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of May 31, 2024 and Statement of Revenues and Expenses for the Period Ending May 31, 2024

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

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On MOTION by Mr. Warren seconded by Mr. Brink with all in favor the check register was approved.

ELEVENTH ORDER OF BUSINESS

Next Meeting Scheduled for August 6, 2024 at 6:30 p.m. at Eagle Landing Residents Club

Ms. Giles stated the next meeting is scheduled for August 6, 2024 at 6:30 pm. in the same location.

On MOTION by Mr. Payton seconded by Ms. Osbeck with all in favor the meeting adjourned at 8:43 p.m.

Signed by:
Marilee Giles
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Secretary/Assistant Secretary

Signed by:
[Signature]
870F743F8319451...
Chairman/Vice Chairman