

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, December 4, 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:

Chris Payton	Chairman
Grant Krueger	Vice Chairman
Kelly Hermening	Supervisor
Randy Smith	Supervisor
Rick Smith	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel (by telephone)
Keith Hadden	District Engineer
Jim Hahn	General Manager, Honours Golf
Josh Heintzman	Golf Professional, Honours Golf
Matt Biagetti	Director of Operations, Honours Golf
Rachel Welch	Activities Coordinator, Honours Golf

The following is a summary of the actions taken at the December 4, 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 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

Organizational Matters

A. Oath of Office for Newly Elected Supervisors

Mr. Oliver being a notary public of the State of Florida administered the oath of office to Grant Krueger, Rick Smith and Randy Smith.

B. General Information for New Supervisors

Mr. Oliver stated both Rick Smith and Randy Smith have both been coming to meetings for several years and I think they understand Florida's Sunshine Amendment. The sunshine law says that as a public official in Florida you cannot communicate regarding CDD business or business that may come before the board with other board members except at a publicly noticed meeting. You can talk about anything else with them or you can talk with anyone else other than board members about CDD matters. The restriction includes voice to voice conversations, written such as email, or using a third person as conduit to communicate. Also, Florida has a very broad public records law, and most documents generated by CDD business are subject to requests for those records from the public. Very seldom do we have people asking for public records from supervisors directly and if a public records request does come in it is best to contact either me or district counsel and we can handle that request. It is probably best for you to keep your CDD records segregated from your personal and business records just in case there is a request. Some of you have set up separate emails just for CDD business and that is recommended, also.

Ms. Buchanan stated please let us know if you have any questions, we are available to give you guidance at your request.

C. Election of Officers, Resolution 2019-04

Mr. Oliver stated next is election of officers. The district has a number of officer positions and to include chairman, vice chairman, secretary, assistant secretaries, treasurer and assistant treasurer. For the last board Grant Kreuger served as vice chair and Gary Cross served as chairman. Gary Cross has left the board so we have two vacancies to fill tonight and once we can determine what supervisor will fill those two positions we can fill out the rest of the positions with the remaining three supervisors serving as assistant secretaries. We have a number of staff positions filled by GMS employees so they can continue to execute documents on behalf of the district between meetings.

On MOTION by Mr. Krueger seconded by Mr. Randy Smith with one in favor and four opposed the motion failed.

On MOTION by Mr. Hermening seconded by Mr. Randy Smith with all in favor Mr. Payton was elected chairman.

On MOTION by Mr. Payton seconded Mr. Rick Smith with all in favor Mr. Kreuger was elected vice chairman.

On MOTION by Mr. Payton seconded by Mr. Kreuger with all in favor Resolution 2019-04 was approved reflecting the following officers: Chris Payton chairman, Grant Kreuger vice chairman, Jim Oliver secretary, Jim Perry treasurer, Patti Powers and Jim Oliver assistant treasurer, assistant secretaries, Jim Perry, Rich Hans, Dave deNagy, Ernesto Torres, Kelly Hermening, Rick Smith and Randy Smith.

D. Recognition of Former Supervisor Bobby Poole

Mr. Oliver stated next is recognition of former supervisor Bobby Poole. Mr. Poole was elected to the board during the election cycle in November 2014 served four years on the board and brought a lot of great business experience to the board and we appreciate all you have done for us. The vice chairman has a plaque to present to Bobby.

Mr. Kreuger presented a plaque of appreciation to Mr. Poole and stated we would like to thank you for your service that you provided to us and wish you good luck in whatever endeavors you pursue.

Mr. Poole stated thank you very much. I enjoyed the last four years and I want to thank the residents for selecting me as a board member and I know you will continue to do the great work we need to uplift the community and work with the compensated staff in order to deliver the results that the residents of our community deserve and expect.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the November 13, 2018 Meeting

On MOTION by Mr. Payton seconded by Mr. Kreuger with all in favor the minutes of the November 13, 2018 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Acceptance of the Minutes of the November 13, 2018 Audit Committee Meeting

On MOTION by Mr. Hermening seconded by Mr. Payton with all in favor the minutes of the November 13, 2018 audit committee meeting were accepted.

SIXTH ORDER OF BUSINESS

Consideration of Temporary Construction and Access Easement Agreement

Ms. Buchanan stated at the last meeting the board did consider proposals in connection with Phase 6 infrastructure and if you will recall at that time there was only one bid from Vallencourt. Since the last meeting our engineer and the project manager sat down with Vallencourt and undertaken some value engineering. As far as master infrastructure improvements the contract price has been adjusted from \$1,754,816 to \$1,566,849, a savings of close to \$200,000.

In order to get that work completed we do need to have the next two agenda items approved and authorized. The underlying property is still owned by the developer so we will request from the developer an access and construction easement to perform the work on that property. We don't have bonds yet so we still need the cooperation of the developer to fund the construction project and that is item seven, which is the funding agreement with the landowner, technically entitled WS WB Holdings for Phase 6.

I think during the last meeting we did promise to bring back a construction project contract for your review. Frankly, the value engineering didn't take place in time for me to do that but I'm happy to go through the terms with you, I just noted the price. They are proposing to start next week on 12/10 and have a final completion date of June 30th and charge a liquidated damages amount of \$300 per day. Those are generally the significant administrative terms in connection with the contract. I would like to authorize items six and seven and have a separate motion delegating authority to the chairman to finalize the contract.

On MOTION by Mr. Payton seconded by Mr. Rick Smith with all in favor the temporary construction and access easement agreement between WS WB Holdings, LLC and the district was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Construction Funding Agreement with WS WB Holdings, LLC for Phase 6

On MOTION by Mr. Payton seconded by Mr. Rick Smith with all in favor the construction funding agreement with WS WB Holdings, LLC for Phase 6 was approved.

On MOTION by Mr. Rick Smith seconded by Mr. Payton with all in favor the chairman was authorized to finalize the contract in accordance with the terms and conditions outlined by counsel.

EIGHTH ORDER OF BUSINESS

Financing Update Regarding Issue of Series 2019 Bonds (Westbank)

Mr. Oliver stated at the last meeting you approved having a public hearing at the January 8, 2019 meeting and then we will actually do the preclosing at your February meeting and the bonds should be issued on February 7th. There is nothing for the board to do on that tonight.

NINTH ORDER OF BUSINESS

Update Regarding Honours Golf Transition Process

Mr. Hahn stated everything is moving along from our standpoint. The budgets have been sent to the corporate office and they have been reviewed. Grant and I have been reviewing the budget as well and we have another budget meeting tomorrow. I will be giving the budgets to the entire board within the next week no later than the middle of December. They do somewhat mirror the adopted budget you have, it is just in our format. We received year end P&L reports, we are getting year end P&L reports compared to the adopted budgets so there was a comparison for everyone to review.

Mr. Oliver stated that is in draft format at this time.

Mr. Hahn P&Ls for October will be coming out shortly.

Mr. Oliver stated Katie and I had a discussion yesterday that it may be helpful if we took a look at moving these meetings to later in the month to allow more time to get the financials done.

Mr. Payton asked if we met later in the month tonight we would be looking at November P&L. We are used to looking at month behind.

Mr. Oliver stated we can gather more information and bring back some recommendations to the next meeting.

TENTH ORDER OF BUSINESS

Discussion of Honours Golf Goal Setting and Performance Measures for Fiscal Year 2019

This item tables.

ELEVENTH ORDER OF BUSINESS

Update Regarding Reformatting of Fiscal Year 2019 Budget and Financial Statements

Mr. Oliver stated we talked about this some already. We are going to have a conference call tomorrow morning between Honours, GMS, and the vice chairman.

TWELFTH ORDER OF BUSINESS

Update Regarding 2016 Capital Projects

A. Ratification of Requisitions

Mr. Oliver stated you have a requisition from the Phase 5 Bonds, the A-3 Bonds issued in 2016 and this is payable to Hadden Engineering in the amount of \$8,438.

On MOTION by Mr. Payton seconded by Mr. Hermening with all in favor the series 2016 A-1/2 requisition in the amount of \$8,438 was approved.

B. Project Management Fee

This item tabled.

THIRTEENTH ORDER OF BUSINESS

Ratification of Engagement Letter for Fiscal Year 2018 Audit

Mr. Oliver stated we went through the RFP process to select an auditor and you selected Berger Toombs in the amount of \$6,750, the other firm came in around \$15,000.

On MOTION by Mr. Kreuger seconded by Mr. Payton with all in favor the engagement letter with Berger Toombs in the amount of \$6,750 was ratified.

FOURTEENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

A. General Manager

Mr. Hahn gave an overview of the golf operations and planned improvements.

B. Director of Operations - Report

Mr. Biagetti stated the issue with the sidewalk on Club Lake and the landscape not being handled back there, Tree Amigos is going to do that on December 20 and 21, they will regrade and cleanup the area on both sides of the sidewalk, lay sod. Also we have a meeting next week with Tree Amigos we are not going to over seed Village Green and the parkway areas so it frees up about \$4,000. If you have recommendations we can discuss those.

C. District Counsel

There being none, the next item followed.

D. District Manager

Mr. Oliver stated I want to call your attention to the bottom of page 2, board oversight. The previous board had assigned certain areas to certain supervisors so that staff could get with them to work on projects. Gary Cross had the assignment for parks and Bobby Poole had the assignment for landscape maintenance. I didn't know if you wanted to reshuffle those assignments or assign someone to fill those gaps and you may want to add other categories. You can discuss it and push it to the next meeting if you like.

Mr. Payton stated I would like to keep gym and tennis if no one has any objection.

Mr. Kreuger stated I will keep the pool.

Mr. Hermening stated I like having oversight of the golf.

Mr. Rick Smith stated I will take landscape.

Mr. Randy Smith stated I will take parks.

E. District Engineer

Mr. Hadden stated last month I brought to your attention a sinkhole on one of the CDD pipes and we were in the process of getting the contractor in to get it fixed. Since then Matt brought to my attention another one and we will get that one fixed as well. When residents have a problem like this they don't know it is a CDD responsibility to fix it. We need to let people know if it is a recurring problem or an area that floods to let us know.

Mr. Biagetti stated we re-measured the vault and there has been no movement. There has been a little seepage in one pipe that we may seal off like the other one.

SIXTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Kreuger stated I talked to Jim Hahn about the POS systems and they are still investigating and hopefully, by the next meeting we will have some guidance and recommendations or maybe we will invite some vendors back because it has been a while and technology has changed.

Mr. Hermening stated I want to discuss the security we have patrolling the neighborhood. Every invoice we get have times starting at 4 or 6 and running to 9 or 11. We don't need security here at 4 or 6 we need security at night when facilities are closed and I have not seen reports of activities or incidents. What is the security doing for us? I would like to see some validation of what we are doing.

Mr. Biagetti stated if you have recommendations or want to change how we operate let me know.

Mr. Payton stated I will forward the concerns I have heard.

Mr. Rick Smith stated I want to compliment you on the meet and greet event. Also the landscaping around the clubhouse looks a lot better.

We mentioned the number of rounds and when I think of the weather like it is the number of rounds is pretty important. Members in general are pretty important because we may not play but we still pay and I propose we have a membership drive.

Mr. Hahn stated I will take the rounds played by members, and average 80 hour for the public and average 80 hour for the players club member so you can see what value the membership has. I will have them for the next board meeting.

Mr. Randy Smith stated the cart paths have been addressed but the bunkers have not. Is there a plan in place for bunker repair?

Mr. Hahn stated I haven't put together a plan but we can put a cost to it.

Mr. Rick Smith asked will you check the invoices for security services? Also on the petty cash reimbursement, how much petty do you have on hand and it seems like some of this shouldn't be petty cash and should go through a more formal process.

Mr. Biagetti stated other than reimbursements from our liquor companies we have a direct draft out of the petty cash account that we have to send in invoices to reimburse that petty cash. I never use cash to pay anything just all checks.

Mr. Oliver stated let's rename that line item and we will come up with written procedures for using cash.

Mr. Randy Smith stated we talked last month about trying to publish your executive summaries from reports. If you can do that I would appreciate it. I have had a complaint from a resident about the pond on no. 9.

Mr. Hahn stated Lake Doctors was out there yesterday.

Mr. Randy Smith stated on the special assessment lines it all goes to the golf budget. How do you determine how much of that special assessment allocation goes to capital reserve and how much of it ends up as year to date profit?

Mr. Oliver stated what we did when we budgeted the last time was you actually flow through at the end you make a transfer out to capital reserve on the golf side.

Mr. Kreuger stated if you are looking at the \$298,000 that typically all goes to the golf course for operations, that was your social dues, that we converted to an assessment to operate the golf course. At the top under revenues there is \$117,000 initiation the best way to figure out what that is that is the \$500 that each home sale brings in and that will go to capital reserves.

Mr. Oliver stated I think we are talking about two different things and that is one of the reasons we are having a conference call tomorrow. The two things I do want to cover, before we made the change of companies when we adopted the golf budget each year the assessments were for operations with any surplus to transfer over to capital reserves. Also going into capital reserves was the \$500 per home sale. It is a large number this year and may be a large number next year because we still have the second phase of Phase 5 and Phase 6. I think for the next few years that will be a pretty high number. Once we get through those projects that number is going to be \$40,000 to \$60,000 a year once we get into normal home sales assuming no recession.

Mr. Kreuger stated part of the review that I was doing with Jim is I have asked him to reclassify some of that because some of that may be in fact the \$1,000 initiation fees for the golf course. I asked Jim to break out home sales first, golf course initiations and tracking that \$500,000 is not that easy.

Mr. Oliver stated for tracking purposes do you want to deposit the \$500 initiation fee directly to the golf capital reserve or first flow it through the general operation fund.

Mr. Kreuger stated I would like to know what that number is every month and if we flow it through to capital reserves without running it through the balance sheet in and out then to me we are not getting those numbers.

Mr. Rick Smith stated the general fund budget seems where the \$500 fee should flow through.

Mr. Oliver stated we could flow it through the general fund budget and transfer out to the golf capital reserve.

Mr. Rick Smith stated that way we would see it and wouldn't confuse it with golf.

A resident stated there is an easement between my house and the on next door where the Lake Doctors get to the pond. When the other lots were empty they were able to go through those lots to treat the pond and the only way you can get back there now is to go through the cart path in Wild Dunes.

Mr. Hadden stated we have to give legal access somewhere. They routinely don't use that they go down the golf cart path or whatever that is fine. You would like to have a gravel or brick drive that they could drive down through the houses but nobody wants that.

A resident asked I just wanted to make you aware of that.

Mr. Payton asked is there any difference in the treatment process when he can get the boat there and there are lakes he walks around with a backpack. I assume the boat method is the preferred method.

Mr. Hadden stated they prefer the boat method. They can cover more of the lake if they are in a boat compared to walking the shore. Your neighborhood is not unique. It seems that no matter where I design an access to the lake at some point a utility will put something right there without anyone's approval.

A resident stated I voiced some strong concern when Steve Andersen make a presentation about the furniture he was buying for our patio, why did we need a firepit out there and he said because they are popular. I asked who was going to take care of it and he said the staff will take care of it. I was informed about a week ago that the staff did their job and turned it off, but a resident turned it back on and it stayed on all night. We need a procedure to take better control of that or take it out.

Mr. Hahn stated we could put some kind of security on it where we could shut it off.

Mr. Hermening stated that is what was supposed to happen. There was supposed to be a lockbox out there.

Mr. Hahn stated that is a simple solution.

A resident stated when you were discussing easement issues you had a map showing them. Is that available on the website somewhere?

Ms. Welch stated if it is not on the website we can put it on there.

A resident stated last month there was some discussion about someone had encroached on the golf course. Is there an update on that situation?

Ms. Buchanan stated I don't have a letter yet, I will continue to work with Matt or Jim to get something out.

SEVENTEENTH ORDER OF BUSINESS Financial Reports

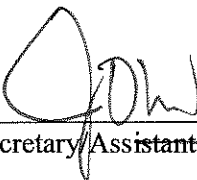
A. Approval of Check Register

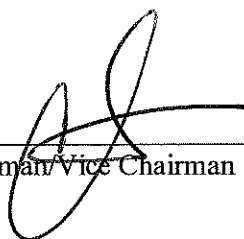
On MOTION by Mr. Payton seconded by Mr. Hermening with all in favor the check register was approved.

**EIGHTEENTH ORDER OF BUSINESS Next Meeting Scheduled for Tuesday,
January 8, 2019 at 6:30 p.m. at Eagle
Landing Residents Club**

Mr. Oliver stated the next meeting is January 8, 2019 and we will have the public hearing for the bonds for Westbank at that meeting.

On MOTION by Mr. Kreuger seconded by Mr. Payton with all in favor the meeting adjourned at 7:57 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman