

MINUTES OF MEETING  
MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Middle Village Community Development District was held Monday, April 9, 2018 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065.

Present and constituting a quorum were:

Rocky Morris	Chairman
Michael Steiner	Supervisor
Rod Swartz	Supervisor
Shawn Vick	Supervisor
John Jarrett	Supervisor

Also present were:

James Perry	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer (by phone)
Jay Soriano	GMS Operations Director
Bob Gang	Greenberg Traurig (by phone)
Rhonda Mossing	MBS Capital Markets (by phone)
Two Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order at 2:00 p.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Mr. Perry stated for the residents that haven't been here before, this is a monthly meeting of the district and there are a number of items on the agenda that we have on a standard format each month. The other thing we have is the refinancing of the bonds. You should have received public notice of that mailed directly to you. If you have any questions or would like to address the board there are two places, one is at the beginning of the meeting, the other is toward the end and you can also address the board during the public hearing. We just ask that you state your name and address because we record this and transcribe minutes of the meeting.

There being no comments, the next item followed.

**THIRD ORDER OF BUSINESS****Public Hearing on Special Assessments**

Mr. Walters stated from a procedural standpoint, the way we've done this in the past is to review where we are today. We will go through the assessment report and talk about the resolution. We will take any questions or comments from the board if you have them then we will open up the public hearing, take input from the public, close the public hearing and then take action on the resolution. For consideration today in terms of the assessments, which is the reason for the hearing, our long standing serving members on the board will recall this has been a process several years in the making. It's something we had hoped to do earlier but due to economic realities and development status and things like that we were unable to but we've now finally reached that point where we are able to refund the current outstanding bonds to take advantage of lower interest rates which will lower the assessments for all of the residents. A lot of that is due to the additional development with the multi family parcels which have now gone vertical. Some of that debt has been paid off and we've realized some other efficiencies and better conditions to get this refinanced. At your last meeting we kicked off that assessment process. We had two resolutions; the first was to authorize the issuance of the new bonds and to start the assessment process. Part of that process was putting a notice in the newspaper, which we have done, and to mail notice to all of the residents throughout the community. The purpose for mailing the notice is generally you don't have to send out a notice if assessments are going down, but because of the structure of the refinancing, similar to if you refinance your home mortgage, while your payments will go down, the principal will tick up a little bit due to costs and other things involved with the transaction so when that principal goes up a little, we're required to mail the notice. Unfortunately with the notice there are a lot of statutory requirements for things that have to be in there that sometimes can be confusing. We try to answer those questions as best as possible when they come in. The purpose of today's meeting is to finally levy the new assessments. You have the report behind the resolution and I will let Jim go over that. The marketing materials are out now and I'll let Rhonda speak to that but the final process will be we levy these assessments based on the report you have before you today. If you remember there are two portions to this. There's a bank refinancing, which is the largest portion, and then there is a public offering portion. It's a security like any other securities that have to be offered. We have to put out certain materials and disclosure materials, find the investors to purchase that debt and ultimately sell it. Until we've done that we won't have the

exact final numbers. The assessments will never go higher than what you see in the book today because we're going to levy up this amount. Whatever additional monies flow in, or if we can get a better rate than anticipated, whatever that looks like we may be able to tick it down but it will never go over this number. With that, I'll turn it over to Jim to walk through the report, we will answer any questions from the board and then we will open up the public hearing.

Mr. Perry stated attached to the resolution is the preliminary supplemental special assessment methodology for the refunding of these bonds. They will be in two series of 2018-1 and 2018-2. If you'll recall, this is refinancing the 2004 and 2008A bonds. There is a lot of history the report goes through and talks about the methodology itself, but the real thing to focus on are the tables in the back. Table 1 will show you the development of land use within the CDD. Table 2 shows you what the sources and uses of the bond funds will be for the 2018-1 and 2018-2 issuances. Keep in mind, this will have 17 years remaining on the bonds going forward so the length of time hasn't been extended. The interest rates for the 2018-1 is approximately 4.09% and the 2018-2 is at 5%. Table 3 shows you the allocation of debt to the different development units and as Jason mentioned, for a single family home the allocation of debt goes up about \$856, for multi family it's \$607 and then for commercial office it's .67 a square foot. The debt is going up but the overall assessment each year is going to go down which is shown on table 4. If you live in a single family home your annual assessment for the debt service is going down \$71, for a multi family home it's going down about \$50 and then for a commercial office space per square foot it's going down about .06. After that you have the assessment roll attached which reflects all of the lands within the district boundaries showing what's going to be restated for the bond issuance and refinancing. As Jason said, these numbers are going to be the highest. There might be some changes to them but incrementally there is not going to be a material change to what you see there. These are within the parameters that we first brought before the board that you felt comfortable with. It's a little different than your sister district that went through this process several years ago. Because the nature of your district is more multi family it was a little more difficult with the work out of those properties but your sister district has had savings for the last five years or maybe even longer on the debt service. We think this is a good opportunity at this time, especially in light of potentially rising interest rates.

On MOTION by Mr. Morris seconded by Mr. Swartz with all in favor the public hearing was opened.

Mr. Perry stated this is the public hearing in regards to the bonds so if you have any questions, as a resident we'd ask that you state your name and address for the record.

Ms. Pauline Unrue, 3354 Chestnut Ridge Way, asked you said 17 years remaining on the bond. Is that with the new rate you're going to get the bond onto because I know the CDD is on our tax bill. Will it be on there for 17 years? Is that what you're implying?

Mr. Perry responded there are two components to your annual assessment that appear on your property tax bill. The first is the operations and maintenance which is the annual cost of running the facility. That is going to stay on there forever. The second component is the financing, or the debt, which is what we're talking about here. For the next 17 years that component will be on the bill. After 17 years that cost will go away.

On MOTION by Mr. Morris seconded by Mr. Jarret with all in favor the public hearing was closed.

**A. Consideration of Equalizing Resolution 2018-03**

Mr. Walters stated this is the finalization resolution that imposes the new level assessments on the property. As we mentioned before, there will be a slight up tick in the principal amount that is allocated to each parcel but the annual assessments will go down and that will start with this year's tax roll so the bills that are due in November will be at the new lower amount. If you walk through the resolution you will see at least a couple pages worth of findings and a lot of it is talking about the history of when we issued the 2004 and 2008 bonds and the projects that the funds were used for. When you get down to section five, this is the meat of the resolution where we've equalized the assessments and we're going to levy those now based on the assessment report that is attached, and importantly, the assessment roll which is all of those parcel ID numbers you see. That is what we send to the county with the new numbers so that's what will be levied. A few provisions relating to the payment; obviously the bulk of our assessments are on the tax roll. There are a few that are still directly collected so we have different procedures for those. There are true-up provisions which pass through from the previous financing. That won't affect residents, that is largely due to other parcels, and then

some of your more standard resolution provisions. Key to the resolution is the attached assessment report which Jim reviewed, and the final assessment roll that is included in that report.

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor resolution 2018-03 was approved.

**FOURTH ORDER OF BUSINESS**

**Consideration of Delegated Award  
Resolution 2018-04**

- A. Fifth Supplemental Indenture**
- B. Commitment Letter**
- C. Bond Purchase Agreement**
- D. Preliminary Limited Offering Memorandum**
- E. Escrow Agreement**
- F. Continuing Disclosure Agreement**

Mr. Walters stated we have our bond counsel on the phone, Bob Gang, and he will walk you through the resolution. There are several key documents we attached to this resolution as well and Bob can walk you through those.

Mr. Gang stated this resolution authorizes both series of the bonds, our senior and subordinate series. The senior series, which is being purchased by Hancock Bank, is in an amount not to exceed \$22,800,000. The subordinate series, which is going to be offered in a limited public offering by MBS Capital Markets, is in an amount not to exceed \$3,000,000. You have submitted with the resolution several exhibits in draft form. The master indenture was passed way back in 2004 and then we've had four supplements for the different series. This is the fifth. The second exhibit is the executed commitment letter that you have with Hancock Bank, then a form of bond purchase agreement submitted by MBS Capital Markets, a form of preliminary limited offering memorandum for marketing of those subordinate bonds also from MBS. Then we have a form of escrow deposit agreement because we have to put the proceeds in escrow until we can get the proper call notice to the investors of the 2004 and 2008A bonds which are the two series that are being refunded. I want to point you to very key sections. One is section four, which amid statutory findings of why you are having a private placement and a limited offering negotiated sale instead of a competitive bid structure. Also, section six is the delegation parameters for selling the subordinate series. That is the principal amount can't exceed \$3,000,000. The subordinate bonds have to be subject to optional

redemption no later than May 1, 2028. The interest rate can't exceed the maximum legal rate in Florida for tax exempt bonds and the final maturity of those bonds can't be past May 1, 2035. That was the original maturity of the 2004A bonds. The underwriter compensation can't be more than 1.5%. Parameter number six is very important. That is with the pricing of the bonds, the value debt service savings generated by the refunding must be at least 9% of the outstanding principal balance of the refunded bonds. A typical general governmental refunding done by a county or a city would have a minimum of say 3% and sometimes up to 5%. This parameter is 9%. Those are the rules under which MBS must live when they price bonds. The rest of the resolution is pretty much standard.

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor resolution 2018-04 was approved.

Ms. Mossing stated following today's meeting and the resolution that you just approved we are planning to post the marketing information this week and price next week on the bonds so when we schedule the pricing next week we will need the chairman of the board available to sign the bond purchase agreement and as we get closer we will let you know what day that will be.

#### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Other Financing Related Matters**

- A. Proposal for Debt and O&M Restructuring for the SPE Parcel**
- B. True-Up Agreement with Florida Tax Lien Assets IV, LLC**

Mr. Walters stated essentially B is the result of A, so kind of view them as one if you will. This is a result of our efforts of our long standing and somewhat frustrating efforts on the parcel here near the Village Center. As you may recall, the property was encumbered by a few tax certificates that were significant in size and then the way tax certificates work is you bid on them and you bid down on an interest rate but they start out at 18% and I believe that's what these were issued at so over time that principal amount you have to pay becomes much higher. If you recall, several months ago there was some hope that the certificate holder would allow that certificate to expire because it had gotten to a million dollars. They did not. They filed for the tax deed and no one purchased that tax certificate at auction and the procedure that follows is that the parcel is listed on the County's lands available for sale meaning it's available to

purchase if you pay off that certificate. Given that it's over a million dollars and ticking at 18% a year that's a real precarious position for that parcel. As a result of that, we engaged with the certificate holder themselves and that is the Florida Tax Lien Assets IV, LLC that you see the agreement with. In terms of some options moving forward, because one of the biggest problems you have when it's on the lands available for sale is you can't tack on new annual assessments to collect those because it cannot be re-encumbered until it's repositioned if you will. We had a lot of discussions with them. I think we've talked over a few years now that the reality is that it was originally planned for 202 multi family units and that likely was not going to be the end result because the market had changed so much from 2004 when that was planned out to this time period. They said they are wanting to do something with that parcel, however they're going to have to change the land use. The provision you see in here is essentially what they're saying is they don't know exactly what it's going to look like but their estimates and their initial plans call for 55 single family units which is about in line with what we've heard from other developers. We wanted to have a more formalized agreement with them because from the District's standpoint, they can build one house and we have no control over their land use but we do have some say in terms of the assessment level. Given that we're in the position of refinancing the debt, it would seem like an opportune time to try to come up with some resolution that would result in recovery for the District so that's the agreement you have in front of you. We all agree that they are going to move forward on their plans for 55 single family units. The provisions in this agreement provide for a couple of things; one is that they are waiving any kind of contest they would have to fight the assessments that we are going to impose on the new parcel, or anything related to the District's authority to do so. Also, what we call the true-up provision or agreement is to say we're going to assume it's 55 units. If they build 65 units, they are going to pay for 65 units. If they build 45 units, from a debt perspective, they have to pay off those ten units that they did not build. That's important for debt levels because as we will talk about here in a second, that will affect the assessments in the future. If you read through their proposal and history, obviously there has been some delinquent assessments that were through a direct bill that wasn't paid. There were some that were on the tax bill that were paid but it's in such a precarious position now that the concept is lets get this repositioned into the highest and best use which we're all agreeing to say is 55 single family units. We will allow them to proceed with development, they will begin paying

assessments this year just like everyone else so there is no gap or forbearance moving forward, and then once they reach a certain threshold of development, which we're going to call 75% certificates of occupancy meaning they've developed horizontally, they've built homes that have all been approved by the County and are ready for sale, or occupied by a third party. Once they reach that level, we will then incorporate that density into the same methodology you just approved and that will bring down assessments a little bit more because there is a lot more units to spread that on. I'm looking for approval in substantial form today because there are a few tweaks we're going to have to work out in terms of how long it takes to acquire title. I'm trying to get them to approve a good faith deposit of \$25,000 so that as we move forward we at least have some money in the bank if something were to go sideways but they've been very cooperative, it's been a good working relationship and they're ready to go. I just spoke to their attorney before this meeting and they said as soon as the board approves it and we can get this signed they want to take down title and start moving forward, which is a good sign.

Mr. Morris asked the long and short of it is it becomes a performing asset for the District, not predicated on their level of development or not. Their agreement is they begin paying us immediately?

Mr. Walters responded right. The big benefits to the District are one, they begin paying immediately and that includes the O&M where we've had a little bit of a hole in the budget. Two, once they take title down, that eliminates all of those tax liens, over a million dollars in tax liens are now wiped off because they're exchanging a deed for those liens which repositions that property immediately regardless of what happens moving forward. Then, once we reach that threshold of development we will see another tick down of the assessments. Nothing substantial, but there will be another reduction so all of the residents see a little bit more savings.

On MOTION by Mr. Morris seconded by Mr. Swartz with all in favor the true-up agreement was approved in substantial form with authorization for District Counsel and Chairman to finalize.

#### **SIXTH ORDER OF BUSINESS**

#### **Approval of Consent Agenda**

- A. Approval of the Minutes of the March 5, 2018 Continued Meeting**
- B. Approval of the Minutes of the March 12, 2018 Meeting**
- C. Financial Statements**
- D. Assessment Receipt Schedule**
- E. Check Register**



Mr. Perry stated you are 97% collected on the assessment receipt schedule so we are in really good shape. In regards to the financials, in almost all categories you will see cost savings there so the District is in a very good position at this point in time.

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor the consent agenda was approved.

**SEVENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters stated we appreciate the board's patience and we've worked through a lot of issues on all of these properties throughout the District and I think what you're seeing today is a culmination of all of those efforts to get things repositioned, to get everything performing to make sure our financials are in good shape and to ultimately save all of the residents some money. From a staff perspective I just want to say I appreciate all of the effort and don't worry about the eight inches of documents. There is a team of people that are all reviewing them between bond counsel, myself, Jim's office, and the bankers. It's a group effort but I think it's a good result for the District.

**B. Engineer**

Mr. Ma stated Ladybird Academy is permitting an early childhood education center based northwest of Oakleaf Plantation and Southwood Way next to the First Coast Energy piece which remains undeveloped. Basically, Don Hinson, who still owns the property is selling it to Ladybird and they're construction plan calls for taking out a couple of the oak trees on Oakleaf Plantation Parkway. Even though it's in a right-of-way the CDD has maintained these trees for the last 14 years. Don was just making sure we get an okay from you guys to take them out.

Mr. Swartz asked we're looking at the picture in the email with the lines on it. Is that road in the upper right hand corner the one that is going to Chestnut Ridge?

Mr. Steiner responded yes.

Mr. Soriano stated straight across from Hamilton Glen going into the Publix shopping center. You'll see a sign there that's been there for quite a few months.

Mr. Swartz asked so it's not the corner parcel it's in between there?

Mr. Steiner responded right.

Mr. Morris asked is there any movement that you've heard of with regards to maybe building that Daily's there?

Mr. Ma responded I have not. I think they have it on the market for sale.

Mr. Jarrett asked there is no issue or anything that has to be done to take those oak trees down?

Mr. Ma responded no it's not with the County.

Mr. Morris asked so when you're heading east at that section and you've got the turn lane, is it those trees along that median as well?

Mr. Steiner responded no just the trees on the side.

Mr. Swartz asked are they going to open the median too?

Mr. Ma responded no there's a right in and right out and then one of them is right out only.

Mr. Jarrett stated so they'll just have to go past and make a u-turn and come back, make the right in and right out.

Mr. Steiner stated you may want to work with Don a little bit. It would be nice if we could get the round-a-bout taken care of with all of these trucks that are parking up there.

Mr. Ma asked on his property?

Mr. Steiner responded yeah on that round-a-bout area. I've had several residents complain about all of those trucks being up there. I talked to Jay and from what I understand we're tied up because the owner of the property has to resolved the issue, we can't. It's getting to be a parking lot up there. You might mention that to Don as a side item.

Mr. Ma stated I know Don has been pretty vigilant about people parking on overnight parking on his piece.

Mr. Steiner stated yeah I know he worked it once before when we had this trouble.

Mr. Ma stated I'll let him know.

On MOTION by Mr. Jarrett seconded by Mr. Steiner with all in favor the removal of the trees on Don Hinson's property was approved.

**C. Manager**

There being none, the next item followed.

**D. Operations Manager – Report**

Mr. Soriano stated we have a couple of District-run events this week. If the weather clears up for us this weekend we will have our Spring Campout at your sister district. That is this Friday. We are doing that in conjunction with the food trucks. They will operate in the amenity center parking lot for this night instead. I mentioned last time that I provide adult beverages. It's been that way for years but I can step back from that if we want to. A lot of food trucks do it. They can't do it on the county-owned property so we've asked that they steer clear of that at the Village Center but on our property they can and that will take it out of my hands so this will be the first time we have food trucks out there as part of that event. The spring yard sale, if you remember this was an event that was always coordinated through the Double Nickel is no longer go through them. We will handle everything as far as putting out the signs and advertising and going back on the weekend and pulling the signs back up. Those have gone out by email. Usually for the campout I only get so many preregistered but it does help us for preplanning purposes if I remind them a couple of times that they will get a cheaper deal if they sign up now so you will probably see that email go out tonight.

The report mentions working with aquatics on events for the summer. As part of the old contractor's agreement they were always supposed to do an event here once a month. That didn't always happen and they usually came to us for some kind of concession. It would work out most of the time except that they always wanted to do it here and it just added to all of those extra people so last year we moved to doing any large events at your sister district. This year what I would like to do is try to do some smaller events, possibly during the week, here each month now that we have a little more control over staffing to give residents more activities to do here so I'm working with Susie on coming up with some ideas.

Our pools are now officially open on the weekends. We have that building schedule where April it's just weekends, in May we will go to full week schedules but we have those alternating days where two days a week you guys will be closed down here and they open up

over at your sister district and then the other two days you guys are open and they're closed. Friday, Saturday and Sunday all of the pools are open and staffed and then once we hit Memorial Day weekend it's full blast from here to the week they go back to school in August.

There are a couple of site specific programs so here we have the swim team. That is our program now as part of the district, not through the old contractor. That is here at your competition pool. Double Branch has a couple of programs. They tend to do all of the swim lessons over there. We don't get as many people sign up over here and we don't want to ask the swim instructors to drive back and forth. If we do start to get a big turnout and questions asking for that program here we will schedule swim instructors here also. The other item that they do over there is our one fitness instructor really only likes that pool because it's more shallow so we have a fitness class over there. I've been pushing her to do it here because we have a bigger space but it's easier to stand in the pool over there.

Moving on to our usage, we're starting to tick up a little bit now. This is thanks to things like spring break and the pools are open. Now it will start steadily building up to where on a monthly basis we see as many as 10,000 scan-ins a month.

Moving on to the operations side, there are a couple of items. I dropped off an invoice that I prepared you for last month. On there we were charged full price. I had mentioned I was hoping for about \$5,000 or \$6,000 but this is \$8,000 plus dollars for the work they did out here. This is our contracted vendor so I had to get on them. They feel that was fair. The last time we did this work was when we marcited the pool and that's where I came up with that \$5,000. It has been three years ago so prices do change a little bit but I was bothered. If you look down through some of the maintenance items you'll notice one bullet point says remove and swap ten horsepower slide motor. This motor was one that went underwater during the hurricane last year. We were able to dry it out and it ran for the rest of the year. Last month it started to scream a little bit. Those were the bearings so it was probably building up rust and corrosion. We had made that movement a couple of years ago to start stockpiling motors and propellers and things like that. I was able to call the contractor up, we pulled the motor out that morning, he took it to his shop, swapped out the impeller, brought it back that day, we dropped it in and it's up and running. We had the motor ready to go but having the contractor that was there and generally does real good work for us that was a lot of the price. Work has been done and this an invoice I'll need ratified.

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor the invoice for pool repair was ratified.

Mr. Soriano stated the other open item was the signage at Hamilton Glen. We talked about that last month. Unfortunately and fortunately, about a day after our meeting we had a sign over at your sister district get taken out. A vehicle missed the turn, jumped the curb and went through the sign and landed on top of the pedestal. Because that sign was taken out it's an insurance thing so I've already been in contact with their insurance and they are accepting full coverage and paying for everything. I spoke with the sign company to see if we could get a better deal to do a second one. I was given a verbal quote that's not finalized at \$2,800 for just the sign. That doesn't include any labor. We will have to take the frame down, take it to the shop but that's if we want to switch out to what I mentioned last time. You guys have different entry signs here. Hamilton Glen was the only one that was made that way. Everyone else has these thick signs that have fiberglass on the outside and foam on the inside sandwiched in between and they cut into it so it makes a 3D look. This sign here is basically a thin piece of heavy plastic but it's flat. I'll bring it back to you once we're done dealing with that one over there because it was set up on the work that was going to be done at Silver Bluff. If we kept the sign the way it was as just a flat piece of vinyl I could get a covering and it would probably be done well under my amount but I think the consensus last time was to do it to match everyone else's. I will bring you back the final estimate to do the replacement next month.

Mr. Morris stated I'd say to be consistent do it like the other communities.

Mr. Jarrett stated absolutely because most of it is going to be covered by the guy's insurance.

Mr. Perry asked do you have an estimate?

Mr. Soriano responded it was a verbal of \$2,800 for just the sign. We could do a not-to-exceed of \$4,000 because it doesn't include the labor. If for some reason it comes out to be more I will bring it back to you to be ratified later unless it was some outrageous number.

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor sign replacement at Hamilton Glen at an amount not to exceed \$4,000 was approved.

Mr. Swartz asked you mentioned the swim team is now our program. Does that mean the revenue generated on that stays on Middle Village and doesn't go to Double Branch at all?

Mr. Soriano responded correct. We have many items that are that way. For instance, the revenue generated from tennis is the same way. Unless we do anything over there where I'm spending their funds, the revenue doesn't go back there. That is all paid for by Middle Village and the excess that we bring in on an estimate looking at the numbers last year was about \$16,000 with the swim team meets. Once they pay out all the coaches there are quite a few thousand bucks left over. It was part of the agreement that it would go back to the contractor. If you run the program, you keep it. Now we get to keep that. I have talked to the coach about finding ways to improve what we can to make the program better if possible so we've looked at more coaching hours or equipment, things like that. Hopefully we will be able to do more and still make a little money on that program now that it's ours.

Mr. Swartz asked it starts May 1<sup>st</sup>?

Mr. Soriano responded they have started registration. In one of our emails I sent out a registration form.

Mr. Jarrett stated I registered here a few weeks ago but I haven't heard back. I even noticed the checks didn't clear yet.

Mr. Soriano stated yeah I think April is the swim test for some of those new families. It's not like a high school sport. As long as they can make it from one side of the pool to the other and they don't need help they are on the team but they have to group with their abilities. That test is at the end of April so practices won't start until the first week of May or second week. I don't think they've set the first day of practice. Meets are set. If you want to go on the website you can see the calendar for all of the swim meets.

Mr. Jarrett asked and the practice schedules?

Mr. Soriano responded the general schedule is on there also. I don't know that she's set what abilities will come in at six and which will come in at seven.

Mr. Swartz asked do you have the banners to hang up?

Mr. Soriano responded I think one was left at the fitness center so we should have it.

**NINTH ORDER OF BUSINESS                      Audience Comments/ Supervisor's Requests**  
**-Discussion of Nanny Pass – Supervisor Steiner**

Mr. Steiner stated at the last meeting we discussed nanny passes and after we left I got to thinking about it and I went back over some of what was discussed. One, the solution that was presented or in place is basically a non-resident \$1,800 pass. The other thing was the reason there was objection to the nanny pass were concerns over crowding at our pool. There were concerns that we've reached capacity and opening up another avenue for somebody to come in would cause an impact. With the non-resident annual pass, that can be purchased by anyone. It's good for their family and their whole household. It's good at every facility and at all times of the year. How does that solve our problem with overcrowding? Where with the nanny pass, you would put it to where one of things was \$900. \$900 would cover the entire swim season as long as it's open. The thing about it is it's restricted to Monday through Friday which are not over-packed days. It can only be purchased by a resident for their nanny and it's only good at the swimming pools if approved by both CDD districts. Otherwise, it's only good for this pool. It limits the number of people that can come and it controls when they come. We're talking about four or five people that are the only ones that are really wanting this nanny pass. The other thing is the fact that with \$900 another option that I was thinking of that might be more beneficial is putting together a nanny pack, \$100 for 10 single day passes. That way if they only want to come down once a week, the \$900 is not prohibited and they can only come Monday through Friday and in the company of the owner's kids. If they switch nannies in the middle of the year, they simply give the card to the next nanny. You don't have to worry about a name issue. Once it's used it's sort of like your guest pass in the fact that you have a pin number that is issued to that owner and is unique to those ten and they take off each time somebody comes.

Mr. Morris stated I don't have an objection to it. I think it's going to be up to Jay and the ability to manage all of that.

Mr. Soriano stated the guest passes are not actually hooked to you personally. We have to look up the address. It pops up that they're a guest. It doesn't show their picture or anything like that just like your cards for the house guest don't show a picture because if they did we'd have to print a new one every time.

Mr. Jarrett stated but if they give you a pin it's supposed to allow you to have twelve guests over a period of time.

Mr. Steiner stated I understand what you're talking about but if I'm going to get around the system, I'm going to buy the guest pass at \$5 a piece.

Mr. Soriano stated we don't allow that anymore. That's what they used to do for the nannies, that's why everybody believed there was a nanny pass.

Mr. Steiner stated when we were talking you said people get the code and they're looking for a way to come in. I'm not going to come in at \$10, I'm going to come in at \$5 so if the pin I'm going to get is going to be a guest pass pin, not the nanny pin because the nanny pin you're paying double the price and you're only able to get ten of them and they can only be purchased by an owner. I'm simply saying unless we're looking at this as a revenue site, which I think we shouldn't, our solution that we have of getting somebody to go buy the \$1,800 pass, we may be letting in 50 people for these five people.

Mr. Soriano stated they still have to follow the same rules that residents do. They present the drivers license and paperwork so we know who lives there.

Mr. Steiner stated I understand that but if the household has five or six people, I'm putting six people out here instead of one.

Mr. Soriano stated for the amount of time that we spend giving them that card and research that they're bringing in the right people, that's \$1,800. That's a lot different then \$10 here.

Mr. Steiner stated but they have access to everything and they're bringing more people and on the weekends when we're overcrowded, this is when the issue comes up. They come down and they're going to get twelve guest passes.

Mr. Morris stated so your suggestion is in either event, whether it's the \$900 or the \$10 pack it would be restricted to Monday through Friday only during swim season.

Mr. Steiner responded yes and only the owners can buy it.

Mr. Jarrett stated I agree to it because as we've talked about, for me, grandparents watch them. To come here at \$10 a pop, even if they come a few times it's not a revenue generation, it's more taking care of the kids.

Mr. Soriano stated that's a lot more than \$10 when staff has to sit there and track who's using the card.

Mr. Morris stated it's \$100. They're buying a 10 pass pack.



Mr. Soriano stated it still breaks down to \$10 every time they use it. What we had said last time works out pretty well and I don't think it was a problem with the fact that it was only used here. This is the bigger facility. I didn't have the condition that you could only use it during the week because we will get people that work on the weekend. We know everyone is going to have a reason but if we did it during the week, it was \$900 and it was only this facility then those people that will use it will purchase it and they are the ones that truly need it.

Mr. Jarrett asked how many people physically come in and talk to you about getting a nanny pass?

Mr. Soriano responded anywhere from five to eight people a year but I can tell you right now they're not going to pay for it. They want it free if they live here. If we made the low dollar cost we may get more people that buy it.

Mr. Jarrett stated we're not talking about a lot of people taking advantage of this and that's my point. It's a handful.

Mr. Steiner stated and if it gets abused we can always change it next year.

Mr. Morris asked what's your push back?

Mr. Soriano responded that's it. If you make it too low of a cost you are going to see that. We have had to shut this pool down before and that's not easy on the staff.

Mr. Morris stated here's what I would recommend. The \$900 I think we're all in favor of so is there a level in your mind, Jay, that we could say it's good for ten weeks or visits or whatever. Is there a number in your head that says there's enough oomph there in my wallet to abuse that and/or at the same time what Mike is saying, make it more accessible to folks.

Mr. Soriano responded it's not that. It's really the work that we're imposing on that front desk staff person. There are times when there are 20 or 30 people standing in line who want to get in so now we're making them look people up. Our system does not recognize that it's just used at the pool. We're going to have to keep an eye on it. If it unlocks the door there, it will unlock it somewhere else. I'm worried if we made it cheaper than the \$900.

Mr. Steiner stated you say it's going to create a hassle out here. If you set up a pin to the nanny access, when they come punch it in, it's only going to be at this pool. It's not going to work anyplace else.

Mr. Jarrett asked don't they slide the card anyway?

Mr. Soriano responded yeah it doesn't really work that way. At the other facilities when they see it come in we can put a note on there that it's a nanny pass and they can say you're not aloud in here.

Mr. Steiner stated but with a guest pass if I go downstairs the first thing is I have to be with someone with a card.

Mr. Soriano stated no. If it's a place that's staffed, yes, They won't be able to get into the fitness center because we will see a note that pops up saying this is a nanny pass and we know it's only for use at the pool.

Mr. Steiner stated stick with the guest pass. If I have a guest pass and punch in a code and it goes and ticks off how many times, I can't bring them over here or anywhere other than with me to the pool, right?

Mr. Soriano responded no there has to be a staff person to see it come up on the screen and read what it is. If there's not a staff person you can bring them over here. It's still going to open the door and let you in. The software doesn't differentiate. Those guest pins are the same as a real card, we just didn't give them a card. If you look at the back of a card, it has a number on it and that's the pin number. Because the card is so expensive we didn't want to give every household an extra card. We still put the account in like it's a real account.

Mr. Steiner stated but you don't give the nanny the card.

Mr. Soriano stated that will save you \$80 but it is still going to create all the work for the staff person.

Mr. Morris stated but it's only half a dozen people.

Mr. Soriano stated at \$900 it may be limited to half a dozen people. I don't think the \$10 will limit it.

Mr. Steiner stated my only concern is the fact that we are making a mountain out of a mole hill in the fact that we've got maybe ten families who have childcare, who are paying for use at the pool, providing them a means to take advantage of it without impacting the heavy use times and we're anticipating all these ways that somebody can go around it. They're going to find ways to hose the system anyway. If it gets to be a problem or strain on you, you're going to come to the board and let us know and at that time we can either pull the plug or find a way to resolve your problem but we're dealing with such a small number of people who have small kids who would like to take advantage of this during the weekdays.

Mr. Soriano stated this is not coming from the operations side, this is coming from the residents side. That's a different argument to me because I don't use all of the facilities but I still pay for it. I can't use that adult pool with my kids but I still pay for the \$15,000-\$20,000 we spent in gas this year. When it comes to the fact that we're trying to control what's going on there we do have staff time involved. \$900 I think is a deterrent. There's only going to be the people that truly need it. We can make it cheaper if we feel that's an unfair deterrent but at \$10 I imagine there will be a lot more people that say I live here and I can take my kids to the pool, I'm just going to pay for somebody else to get access to the pool and then you have those points where I'm there as a resident with my family and I have to stand outside because there are extra people. It's not that we're imagining this happens, we know this happens.

Mr. Steiner stated on weekends and we're not allowing you to use it on the weekends.

Mr. Soriano stated it's still busy out there, we just didn't have that problem last year where we shut the gate down.

Mr. Morris asked are you saying it's \$900 or nothing or is there a financial threshold you would say you can live with it?

Mr. Soriano responded the \$900 was based on \$10 a day but it was the fact that if you really believe you can't make it here during the summer, you pay for the whole summer up front at \$10 a day. There are 90 days in the summer so that's where it came from. It's not going to cost us \$10 a day in staffing. We could make it \$600, I just based it on that. I just tried to make it fair to the \$1,800. Those people buy it for that pool and we've only given them that option. That is going to go away and they're going to try to find some other way to get in here at \$10 a day.

Mr. Jarrett stated but unless they live here or know an owner who will come in and say it's a nanny pass, that's the difference.

Mr. Soriano stated no because I can tell you that's the same argument that we get when we rent out this room when it's mostly residents that rent out this room for non-residents. That was why we approached that issue too because we know it happens. We warned people that you get it to rent it once. You're not just giving it to all of your friends so that you get a half rate because we expect to bring revenue in to the CDD.

Mr. Morris stated this came to light, not that any of us necessarily had a desire for it, it was brought to our attention and what we're simply attempting to do is to accommodate the

very small minority need in the community. While I applaud Mike, your empathy to reduce the cost and make it more accessible to people, we may be being very heroic with this attempt but maybe we start with this \$900 nanny pass and see what happens. We can always add something if it's \$250 or whatever. I don't want to put any extra strain on our workforce. Maybe it's not and maybe that's an exaggeration.

Mr. Soriano stated but that makes me feel more comfortable with it. I watch all of the data and see who's doing what. We could look at it and see that it's one month out of the summer that there is more use. It's usually going to be June. That was also the time last year that we had the day we shut down. July 4<sup>th</sup> can be a problem, it depends on what day it falls. We could break that \$900 down and do the same rate for month and it would still be a big deterrent. We could do \$300 for the month. That says if I want to get my kids in and really need it, this would get them in. We could do it at one month and I could track it and see if there are months worse than others, are we having a problem in June, that's the only time we sell this and it seems like the cheap way for everybody to buy extra passes for the pool then we could bring that back even next summer and say we want to deter it a little bit more because we had problems in June but not July or August.

Mr. Jarrett stated I agree with everything you just said. I even like the monthly. If you want you could even add in that if July 4<sup>th</sup> is on a Tuesday, then no holidays and no weekends for the nanny pass.

Mr. Soriano stated I think we did say holidays last time.

Mr. Swartz stated if I could suggest one extra thing it's that if we are at capacity, those nanny people could be excluded from entering.

Mr. Soriano stated it is outrageously hard to look at five little kids and say you can't coming today just because of this. We can do it. There are rules like that. We do have capacity rules already and that would be the same thing.

Mr. Steiner stated we're anticipating something that may never occur.

Mr. Soriano asked is there an issue with the \$900 that we had it at?

Mr. Jarrett responded I don't have an issue with the \$900 but I like the monthly at \$300 in case Mom and Dad are taking the kids on vacation for the week of 4<sup>th</sup> of July or they have camp or whatever.

Mr. Steiner stated that was my only reason for trying to get it down because they may not be up here every day.

Mr. Swartz stated let's all agree to \$900 or \$300 a month.

Mr. Soriano asked Jason, we've already sent out the notice. Is it based on our rate notice that we sent out?

Mr. Walters responded we have flexibility within that since we noticed \$900. As long as we don't go \$2,000.

Mr. Soriano stated just to let you guys know I did put the rate in there for Double Branch so we will bring it back just in case they end up doing the same, but remember you guys aren't tied in everything. We have those revenue generators that are specific. There are things like the guests downstairs that Double Branch doesn't do. They don't allow guests at their fitness center so even though I put it on there so that we wouldn't have to advertise another rate hearing if they decided to do it.

Mr. Steiner stated at the last meeting Double Branch had put their thumbs down on the nanny pass and we had discussed that we would open it to both districts to be able to buy the pass and it would only be good here, but all revenues would come here. Is that still the case?

Mr. Soriano responded that would be the case. If they turn it down all revenues would come here.

Mr. Steiner asked and the board is still agreeable to the fact that we allow this?

Mr. Morris responded yeah.

On MOTION by Mr. Morris seconded by Mr. Steiner with all in favor to offer a nanny pass for the pool season at \$900 for the entire season and \$300 monthly was approved.
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Mr. Walters stated we have the hearing coming up and that's where we will actually approve those rates so we will put out the notice and we will hold that hearing and that's when we will finalize it but this will give direction to Jay and us to make sure we're coming up with the correct policy.

Mr. Morris stated if we say \$900 and I say I'm only going to be here for June, we want to make it available to them at \$300.

#### **Audience Comments**

Mr. John Harting, 796 Turkey Point Drive, asked I'm curious about the nanny pass. Is it \$300 for ten visits, or \$10 for Monday through Friday every month?

Mr. Morris responded for the month, Monday through Friday, excluding any holiday.

Mr. Soriano stated to keep away from those logistics it would also be based on June, July and August. Not ten people June 3<sup>rd</sup> and seven other people June 7<sup>th</sup>. That's the way we do the \$1,800 a year now for those few people that purchase it. It starts in January and goes through the end of the year so they always come to us at the beginning of the year. They can take advantage of the other amenities whereas this is just the pools.

**TENTH ORDER OF BUSINESS**

**Next Scheduled Meeting**

Mr. Perry stated the next scheduled meeting is May 14<sup>th</sup> at 2:00.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Steiner seconded by Mr. Swartz with all in favor the meeting was adjourned.

  
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Secretary/Assistant Secretary

  
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Chairman/Vice Chairman