

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 on Monday, August 20, 2018 at 6:00 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
Mike Reynolds	Supervisor

Also present were:

Jim Perry	District Manager
Jason Walters	District Counsel (by phone)
Jay Soriano	GMS Operations Manager

FIRST ORDER OF BUSINESS

Call to Order

Mr. Perry called the meeting to order.

SECOND ORDER OF BUSINESS

Audience Comments

There were no audience members in attendance.

THIRD ORDER OF BUSINESS

Approval of Consent Agenda

- A. **Approval of the Minutes of the July 9, 2018 Meeting**
- B. **Financial Statements**
- C. **Assessment Receipt Schedule**
- D. **Check Register**

Mr. Perry stated you are over 100% collected on the assessment receipt schedule.

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

FOURTH ORDER OF BUSINESS

Public Hearing to Adopt the Budget for Fiscal Year 2019

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

Mr. Perry stated the budget is in a format you are familiar with which shows the adopted budget for last year. We've updated the actuals through June 30th and we've projected the next three months so you'll have the projections for the full year and the budget that was approved for 2019. There are no changes to what we will be asking for by adoption tonight. The last increase in assessments this district had was in 2013 so you've been able to keep assessments steady. In addition to that you've been able to build up your capital reserves by a couple \$100,000 since that time so that's a good thing. In regards to the budget itself there are a couple of items in there I just want to mention that we're going to be looking at adjusting probably for next year but we're not recommending a change this year. In the general fund everything is pretty flat. The one thing that may change next year in regards to administrative is that some of the items with the SPE might go down in cost so if we do adjust that next year we will be adjusting them to reserves. In regards to the recreation fund we're holding the assessments at the same level. With the amenities revenue, even though we're at a run rate of about \$80,000 right now, we've kept it as it was in the prior years at about \$55,000 for revenues but we will probably adjust that next year. In regards to maintenance a few items we're going to be looking at next year are private security and security from Clay County. The budget for that is about \$135,000 and the run rate this year looks to be about \$90,000. That number can go back and forth as you well know depending on certain issues that we have in the district. We haven't proposed any changes right now but again we will be looking at that for next year.

Mr. Morris asked those two line items would be private security and Clay County?

Mr. Perry responded correct. Jay takes a detailed look at that often and we've had some issues here in previous years where we've had to increase the hours and so forth. We feel comfortable just keeping it where it is right now.

The other item we will be adjusting is obviously going to be landscape maintenance depending on where this board comes out and we will be looking for that to take place at the meeting in September but we have to adopt the budget tonight so we're keeping that number at the same as what we currently have budgeted.

Mr. Morris asked will we follow the same course of action if we agree to the lower budgeted vendor and use that for reserves?

Mr. Perry responded that's correct. What we would like to do is continue to build up some of the reserve dollars even though we're projecting to be close to \$900,000 to \$1 million this year. There are some pretty large capital improvements that are going to have to take place in the next couple of years that are going to bleed that down.

Mr. Swartz asked are those already spelled out?

Mr. Perry responded they are. What we try to do is even if it's spelled out in the reserve study, say \$80,000 for painting, if we can push it off a year because it still looks good, we push it off a year, but there are items in there that are coming up. It's expected with the aging of these facilities.

Other than that we're not proposing any changes to the budget but those are items we want to focus on for next year and potentially make adjustments on with the landscaping being probably the biggest dollar amount. The debt service budget for the bonds does not change year to year and the assessments stay the same. That is shown on page 17. The amortization schedule is after that. Page 20 shows the assessments staying at the same level that they were last year.

Mr. Steiner stated you may want to check that first column. That dollar is still hanging around down there on page 20. The dollar amounts above it check out to being zero.

Mr. Perry stated yeah those dollar amounts are rounded. I'll adjust that.

A. Consideration of Resolution 2018-09, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2019

Mr. Perry stated we would insert on the second page of the resolution that the general fund appropriations are \$216,037. The recreation fund would be \$1,662,994 and the debt service fund would be \$2,128,042 for a total amount of \$4,070,73.

On MOTION by Mr. Morris seconded by Mr. Steiner with all in favor Resolution 2018-09 was approved.

B. Consideration of Resolution 2018-10, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Perry stated based upon adoption of the budget we will certify the roll to the Clay County Tax Collector and we should be able to do that within the next week or two. It has to be done by September 15th so we have plenty of time.

On MOTION by Mr. Swartz seconded by Mr. Morris with all in favor Resolution 2018-10 was approved.

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

FIFTH ORDER OF BUSINESS

Consideration of Proposals for Landscape & Irrigation Maintenance Services

Mr. Perry stated we're not looking for you to grade those proposals tonight but we do ask that you give those ranking sheets to Jay about a week or ten days prior to the September 10th meeting. We will summarize them and get them in order. Your meeting is going to be at 2:00 that day and you will rank the proposals and we will enter into contract negotiations with the number one ranked proposer. Your sister district will have their meeting at 4:00 that day. It's not necessary that you both have the same vendors but it seems like with the questions and discussions that we've had you probably will.

Mr. Steiner stated all of us at the last meeting had a concern about the price being out of whack on sod and that Tri-Mac was so far under everybody else. If you look at the proposal Jay asked that they provide unit price on the sod and price the labor separate. If you take the .24 plus .65 that they charge for labor they are right in the ballpark. The other folks didn't respond correctly. Either that or it's going to cost us \$1.60 for R&D and no telling what it will be for Duval because they were at a flat \$30 an hour to go do the job so if you look at Tri-Mac they at least answered the question as it was asked. If you combine those two that we have on ours, which I believe is what they were intending to do, really the only thing that's out there is some of the pricing on the plants. In fact Jay went ahead and mentioned that they didn't break it apart on the Double Branch side and the price came in right about where it is. It seems that

maybe that one thing that really concerned me with them being that far out may not have been the case.

Mr. Morris stated agreed.

Mr. Soriano stated Jason, those items fall into what we consider extra so the have a pricing for what has to be done throughout the year at minimum. That second portion where we've broken down all the extra pricing, is that something that I can go into after we award and straighten out and even make sure we have the correct pricing? I did look at it and as far as wording for the way we asked for them to give the price there is a way it can be separate or different in Double Branch and Middle Village and they even give us different pricing. Are we able to renegotiate that portion since that's not part of the minimal contract?

Mr. Walters responded I think it's more of a consideration of unit pricing, which is a component of the overall price but at this point I wouldn't determine that as a negotiation on that number I would determine it as a clarification. Meaning, if that truly is an all-in number we need to know that. If it's not we can readjust based on what the all-in number is. We're just clarifying what their pricing is.

Mr. Soriano stated yeah because it won't affect that total number for the year. They have to give us the 10,000 square feet of sod and they've got that listed out in their total but it would be those extra things.

Mr. Morris stated the way I understood it, is as you stated we've got those three prices there at the bottom for Tri-Mac, R&D and Duval and I'm looking at that really amazing \$341,000 figure and that was the all-in price to what we know we're going to spend and what we need to contract for. The separate per item price (i.e. sod) would be for those items that optionally we decide we need during the year.

Mr. Soriano stated correct and those prices should be used in their planning to come up with that \$300,000 because if they know we charged .90 a square foot for sod and you're asking us for 10,000 square feet we should get that .90 for the 10,000. That's what should have been but they wanted to give us the better pricing for the ten. It's not really explained that way in any of the packets so we don't know what they did. They give us that price first and then they go down to the rest of the list, which is considered the extra unit pricing. I really want to clarify that extra unit pricing. Whether we call it a negotiation or not I just want to make sure

we do it correctly so we don't have an issue going forward like we did this year where R&D came back and said they didn't want to honor the price.

Mr. Morris asked but the 10,000 square feet of sod is in the contract so it's not something that they would necessarily have overlooked and just arbitrarily said "I'm going to price this separately".

Mr. Steiner stated one of the things I noticed with this vendor was the fact that it was the only who came in with an escalation. He saw prices going up, he increased whatever over the period of time. All the others we are either paying an inflated price for two years and break-even price at the end. To me it showed a little better understanding.

Mr. Morris stated if I'm not mistaken the Tri-Mac guy worked for our original contractor here and I think Duval.

Mr. Soriano stated he worked for Duval and Duval is managed by one of our original guys here. There were two managing partners for DTE, Greg Beucher and Bill Kinsey and Greg left the company about five years ago and went to Duval. That is where the guys that do development and bidding for everything worked for Duval then and now work for Tri-Mac so a lot of these guys go back and forth to different companies.

Mr. Morris stated so they certainly have an understanding of scope.

Mr. Soriano stated correct.

Mr. Steiner stated I know we're not making a decision now but I knew we would be coming up on the grading period so I thought it might be beneficial for me to at least bring up these other points that you may or may not have already known.

Mr. Morris stated that will affect that second pricing column each of us would subjectively grade.

Mr. Perry stated between now and getting those sheets in, if you have any questions on any of those proposals just call Jay or myself and we will try to answer them for you.

SIXTH ORDER OF BUSINESS

Acceptance of the Fiscal Year 2017 Audit

Mr. Perry stated that was completed in July and it has been submitted to the State already. Under page one is the opinion and it is a clean opinion of the district which you've had consistently for I think every year that the district has been in existence. After that are the financials and footnotes and you really don't have any other items to key in on until page 29

and that is the requirements by the rules of the Auditor General. In the second to the last paragraph it talks about how the requirements were met for the district. After that you also have on page 31 a finding that has been consistent with several years. You can see it started in 2012 and it's about the reserve requirement for the debt service and that's with the SPE parcel and of course until that's completely resolved that note will always be in there. The other thing to note after that is on the last page where it points out specific examples in regards to the rules of the Auditor General and that there were no issues or items found in which we were not in compliance.

Mr. Morris stated under their current findings and recommendations under management response we are in the process of his recommendation within the response there, "until the property owned by the SPE is sold and past due annual assessments paid, the District will continue utilizing Debt Service Reserve Funds etc. So we're in the process of that now, correct?"

Mr. Perry responded right.

Mr. Walters stated that's kind of subsequent to the fiscal year but I'm hoping that by the next audit that will be cleared up and obviously this Board knows that we've been working hard on this issue for years.

On MOTION by Mr. Morris seconded by Mr. Swartz with all in favor the Fiscal Year 2017 Audit was accepted.

SEVENTH ORDER OF BUSINESS **Other Business**
There being none, the next item followed.

EIGHTH ORDER OF BUSINESS **Staff Reports**
A. District Counsel
There being none the next item followed.

B. District Engineer
There being none, the next item followed.

C. District Manager – Discussion of the Fiscal Year 2019 Meeting Schedule
Mr. Perry stated the schedule I handed out has a little more information because we moved some of the dates. We changed March 4th to March 11th. All of the others are the same. We just added some descriptions so people would understand why we moved the dates. March 11th is a night meeting and that would be to discuss any amendments to the rules and fees of

the district. In August we stagger the meetings so you can do the budget adoption and all the residents can come to the meeting.

On MOTION by Mr. Morris seconded by Mr. Reynolds with all in favor the Fiscal Year 2019 Meeting Schedule was approved.

D. Operations Manager – Report

Mr. Soriano stated in July we had the dive-in here. I mentioned to you guys we planned it around Shark Week. It was a lot of fun although we had some weather where it stormed pretty good during the day so it cut down our attendance number. I think we had about 140 here. Pre-registration was great but the weather knocked some of those out and it wasn't that packed. The dive in we held a few weeks before over at Double Branch actually had more attend. As we get closer to school our numbers really slow down but it was still great and there were a lot of families out here and they enjoyed it. We had the movie for the kids in the front and we had *Jaws* showing in the back. They're looking forward to those types of events next year. I think everything worked out well and staff did a great job. We hadn't done of those dive-ins in quite a few years. I will have a schedule coming out soon of all of our upcoming events. We do have the CDD managed events like the Fall Camp Out, the yard sale, and Turkey Trot. Those are all things that our staff puts on and then we have some of those outside events that are done like the Fall Expo. We will put those out by email to everyone.

I would like to report on swim lessons. Swim lessons are new this year sort of like your side here you have the swim team. We've always had the swim team but this is the first year it's completely ours so all of the money coming in goes to the District. We had close to \$20,000 deposited for all the kids to be on the swim team this year. The swim lessons take place at your sister district because it's that pool is a little easier to control for the swim lessons compared to here. They had a little over \$7,000 that was deposited this year for the registration fees. I would like to see that increase. We have a captive audience so this should be where they want to have their swim lessons rather than driving out to Cecil Field or the YMCA. We actually do them rather cheap compared to a lot of places so I expect that to increase every summer.

We have the lifts that are required by ADA code to be out at the pool. They are starting to age so we've had issues with batteries and this year we had one stolen. We have problems

with the hydraulics also. They are about seven years old now so there are going to be quite a few parts that are expensive to replace and we will eventually get to a point we have to replace the whole chair, maybe this year or next year. Those things are kind of costly but it is one of those things we have to have in place to be able to operate.

Mr. Morris asked do you know how often they're actually used?

Mr. Soriano responded very seldom. We have one resident on each side that goes to the pool on a regular basis so they are used. That is one of the only ways they can get into the pool. The other option is we have a zero level entry but then they have to have a waterproof wheelchair.

We had the back to school events that were held at both districts. We played games and they tickets and chances to win book bags stuffed with a lot of school supplies. There were a lot of kids out here and it was the day before orientation started. The bags were worth about a \$100 with all of the school supplies. I did the shopping after going through all of the lists for the elementary schools and there are a lot of items on there. They were rather pleased. We finished up our lifeguard end-of-year items. They all go back to school so we do a party here for the staff. That's already done and out of the way. There were no issues with that so we will start with the lifeguard reviews. There will be a few staff members that will stay all way through the last weekend in October so we will kind of run on a skeleton crew from here on out because we started the step down schedule the week school started where we are closed every other day. The pools are really slow right now because everyone is back in school so one day your sister district is opened and the next day this pool is open and then Friday, Saturday and Sunday they are always open until October when it's just weekends. We will slowly get the staff out of here because we operate in the off-season with just a handful of staff members.

If you look at our numbers they are staying pretty high. I mentioned last month the issue with the lightening taking our access system out. We did get everything back so these numbers are a little more accurate for a full month and they kind of match if you look at the summers in the years past. There about 13,000 people checking in for a month during the summer normally. The only thing I want to point out is that would still be considered a little low to me because we were closed about 50% of the time at the pool due to a lot of storms this summer. If we had been open as much as were last year we would see that number much higher. If you look we printed 513 cards for both districts and as far as owners and renters

you're looking at a couple hundred cards and many of those were brand new families filling those empty houses or the apartments that are opened now. We did not have any issues as far as overcrowding this year where we had to shut down due to hitting max capacity. A little of that was planning our parties carefully.

I have one big item I want to go over. I originally reported to you guys that I thought we were going to get lucky and not have any issues with the lightening strike. Most of them were little repairs like the phone system and our alarm panels so they wouldn't have added up to our deductible, however we were having a problem with our elevator and about a week ago we had the elevator company come in and they verified we had multiple boards going into failure to where people could get stuck in there so we had to shut it down and they checked everything out and make sure they were 100% sure it was due to major surge or lightening damage. We had our adjustor come out and verify that he was comfortable this claim would go through as far as lightening damage but I do need to ratify an invoice. Once again, with ADA issues we need that elevator working so I went ahead and told the elevator company to repair it and we will deal with insurance afterwards. They've already started to process it so now we're just waiting on underwriters but originally I was given an invoice for almost \$18,000. Once all the work was done it is \$16,785.13.

Mr. Morris asked that was just the elevator?

Mr. Soriano responded yes. As far as the claim itself, because we can do a claim now I get to go back and put all those smaller items like the access system and the phone on the claim so we will get paid for those other items too.

Mr. Morris asked what is our deductible?

Mr. Soriano responded \$2,500.

Mr. Morris asked so we will get that amount back?

Mr. Soriano responded everything up to the \$2,500.

Mr. Perry stated so what's going to happen now is that claim will be for \$18,500 but we were paying \$2,500 before.

On MOTION by Mr. Morris seconded by Mr. Steiner with all in favor an invoice in the amount of \$16,785.13 for elevator repairs was approved.

stick with R&D or we go with somebody else and we're saving money we will watch that and if they're not hitting their minimum contract we have Jason to help us out and we can always let them go. This side has done that before. We had a vendor that after just one year we weren't happy so we changed back. We hate going through those steps but if it's needed that's what it is. If they don't want to lose it then they will make sure they're hitting that contract.

Mr. Steiner stated one thing with just looking at dollar value is you have to look at the rest of the information to see how reasonable it is.

Mr. Reynolds stated we would logically be Tri-Mac's largest customer.

Mr. Swartz stated that's kind of what I'm thinking. We're the key to getting them in the door at other places.

Mr. Soriano stated that could be the reason for their pricing.

Mr. Morris stated if we're going to keep this and we've got these columns that Jay has put together for us and we have our numbers we're going to plug in there we've got to know that we're all on the same page as far as how we're going to rate those. When you look at personnel, to me they all look the same and I think that's an odd parameter anyway. In experience you can look at Tri-Mac as a whole and they have some sizeable customers.

Mr. Perry stated in regards to your comments Rocky, if you rank them all the same for all of the other criteria it does fall out to price.

Mr. Steiner stated the only thing about it is I told Jay I can't award 100 points. None of them got there. The big parameter is the pricing and that kind of information but one of the things we asked about was equipment.

Mr. Reynolds stated I noticed Tri-Mac has almost nothing.

Mr. Steiner stated but again, how much did the others list?

Mr. Morris stated if the price is this and you've agreed to this contract you better get your equipment up.

Mr. Steiner stated we have to put a total because it's a column. Instead of being very objective on some of this stuff it's coming down to being subjective as to how you read between the lines. That's why I wanted to bring the sod up tonight because that was something that may sway somebody. It affected me to begin with. Yeah the price is low but they didn't know what they were talking about.

Mr. Morris asked and you'll clarify that?

Mr. Soriano responded yes.

Mr. Perry stated I don't recall if we did it for these districts but in the past at other districts staff has provided the board with what we believe is the rankings so we can provide that to you. We will work together to provide that to you in the next week or so. Again, that's just staff looking at it and you can adopt it or throw it out.

TENTH ORDER OF BUSINESS


Next Scheduled Meeting – September 10, 2018 at 2:00 p.m. at the Plantation Oaks Amenity Center

Mr. Perry stated our next regular meeting is going to be September 10th at 2:00.

ELEVENTH ORDER OF BUSINESS

Adjournment

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


Secretary/Assistant Secretary


Chairman/Vice Chairman