

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, November 5, 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
Mike Reynolds	Supervisor

Also present were:

Jim Perry	District Manager
Jason Walters	District Counsel
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

Ms. Dona Tingle, 2937 Thorncrest Drive, stated for the past year I have rented out the phase one facility where I started out and now I rent this facility every other month to host a bunch of vendors. They put tables in here and people can come out on a Saturday for about three and a half hours and shop. Just recently I've been told that this will be the last event I will be able to do because I cannot conduct business inside this building due to the policies. I'm trying to find out why I am no longer allowed to use it because there are two other events that happen here in Oakleaf that use the property and do not have to pay and they don't even live here. This is something that I'm very passionate about and I have 233 vendor people who have signed up within the past year and one of the main reasons we put this together is because we can't do the expo. Me personally, every time I go to apply to sell Scentsy at the expo I'm told I'm not allowed because the same person has been selling Scentsy there for the past 13 years. I'm trying to figure out why two non-residents get to use the facilities for free. I don't mind

paying. I went from a residential fee to a non-residential fee and I was told that somewhere in the bylaws it was put that residents can only use it one time. I just want answers.

Mr. Soriano stated I gave you answers. You can't rent it out as a resident other than one time so that's why you moved to the non-resident fee and that's where you are now. You can continue to rent at the non-resident rate. We're not happy with the fact that it's a business being run in here. That's not what we rent this room for. That does not add to us as a community. Regarding the argument about the expo, it's done at Double Branch and even I have concerns with that. She goes to the Board every year and asks for permission. She is a resident.

Ms. Tingle stated she doesn't pay Oakleaf and she is no longer a resident here. She collects all of the profit from that so she is conducting business on Oakleaf property. There is also another group that comes in here twice per week and does yoga. It's \$64 a month for a membership or \$9 for one class. That lady owns the Bless Yoga Studio over in Orange Park, she lives in Eagle Landing and she uses this facility and doesn't pay for the facility at all so she's allowed to conduct business inside this facility as well.

Mr. Steiner stated the permission for the expo is coming from Double Branch so we don't have anything to do with the approval. That would be an issue if you were looking to replace that environment.

Ms. Tingle stated I'm not looking to replace it. That is a family-friendly event. They have blow-ups, food trucks, and games so it's almost like a mini carnival. I applaud it for being as big as it is so kids can go out there and play. We want families to come to ours but if you've ever been to a convention, that's pretty much how it's set up. You walk in the doors and it's a complete circle wrapped around with Scentsy, Mary Kay and that kind of stuff so it's a little bit more intimate than a big family event outdoors.

Mr. Steiner asked you said it was available for rent at the non-resident rate?

Mr. Soriano responded yes.

Mr. Perry stated but not on a continuous basis because one of the issues we have is that we have tax exempt bonds and this facility is designed for residents and their usage for special events and things of that nature, not for a recurring business so she's asking really for a recurring business rental of this property. If that's the case and we start getting more of those

requests you do have exposure for your tax-exempt bonds because now you're now not doing it for the public, you're doing it for enrichment of a private enterprise.

Mr. Soriano stated we also have issues with liability insurance when we're doing those types of things. We would open the door for lots of business that want to come in and rent this. She's talking about weekends. We talked about this when we offered the space to yoga because then it was beneficial but she only wanted to do the morning classes. I have told her she had to offer an evening class for those residents that can't make it in the morning. She does it during the week at a time that I can't fill this room with anything and that's why she gets the room. It's one of the few businesses that we have asked.

Mr. Morris stated we'd probably run into the same risk and exposure that Jim is talking about with the frequency of this yoga instructor so I think it's something we need to address. I think they perhaps answered your question that to have a recurring business in here it almost puts us in a position as a landlord renting retail space and when we do that it exposes the District to possibly losing our tax-exempt status on our bonds so we can't do it on a recurring basis.

Ms. Tingle stated but you are. You're doing it with the yoga studio.

Mr. Morris stated right and he just addressed that.

Mr. Soriano stated yes and that might change at this point because we are trying to limit what we do. I've actually allowed you guys to do it for quite a while.

Ms. Tingle stated because the community has asked for it and it is local. These women have a business to help support their family or to do something while their children are in school.

Mr. Morris stated we get that but the issue is our bonds are rated for non-profit tax-exempt status and because of that we come under a risk if we do the recurring and that's why we want Jay to address the yoga instructor.

Ms. Tingle stated I'm trying to find equilibrium here. Everybody is throwing around for-profit. Just so you know, I don't make a profit. I take the \$500 out of my own pocket and that is how I pay for the reservation fee and the deposit and everything else is collected from all the vendors. I don't collect any more than I have to. By the time I'm booking this one, the ladies are all asking when the next one is.

Mr. Swartz asked but then can you guarantee us that every vendor here is also working on a not for profit basis?

Mr. Walters stated I think it's important to distinguish between profit and non-profit. That's not the question for us. It's commercial versus non-commercial. If you're having a birthday party or a wedding here that's different than running a business whether it's profit making or not and that's really the deciding factor when we talk about Jim's issue. This is a public facility. It's like if you went to City Hall and tried to run a business in their spare room they would never allow it and it's a similar position here.

Mr. Soriano stated also just to clarify; the expo goes to that Board twice a year. If we want to look in the future to only allowing one-time events we can do that. They do a fall and a spring. If she wants to pick out one or two, you guys along with your sister district need to look at charges for the one-time events. We deal with a lot of stuff because of the expo. This last time if you noticed we had a rather large oak tree that was severely damaged and may die because a truck took it out thanks to the parking and space that is out there. Plus, we get a lot of complaints from residents since it's not their event. It really doesn't benefit the community the same way we look at it, we're not getting any payment we're just opening ourselves up for liability so we may want to look at those events that get approved as a one-time basis and even set a rate for them so we can limit that stuff in the future if we have problems.

Mr. Reynolds stated I don't know how you could because now you're talking commercial.

Mr. Soriano stated well once we set the rate we can do things like that. There are cities that rent out parks and recs but it's usually kind of expensive. In turn, Carla at Double Branch can take some of that money that she charges the vendors and pay us but right now we rent it out to her as a non-resident.

Mr. Morris stated we probably need to do a better job of documenting this and I would put that on Jason and Jay if you guys could do that. Address this concern and Jay if you could also look at recurring yoga class to see if we are at risk with our bonds.

Ms. Tingle stated he had made a comment about you guys looking into me having the same deal as the expo. Right now I'm doing it every other month with exception to the summer because I don't want the doors to be open in the heat, even if you would let me do it every three or four months that would be greatly appreciated because I rotate all of the women that

come in here which is something I feel the expo should do. They shouldn't limit people. We have thousands of people that live here that have their own businesses and that's the reason we did this.

Mr. Morris stated which is great and I don't have anything against that, nor are we in a position of being the Ebenezer Scrooge here and saying that, but what we do have are restrictions where our hands are tied when it comes to being stewards of the finances of this property and that stems back to our bond financing. Again, Jason if you could help Jay in establishing something and you can get a better fix on what restrictions we do have in regards to that bond. If you want to interface back with Jay we can get you an answer on that.

Ms. Tingle stated he knows how to get a hold of me. Thank you for hearing me.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Shawn Vick

Mr. Perry stated we do have a resignation from Supervisor Vick so we would ask the Board accept that resignation with regrets.

On MOTION by Mr. Morris seconded by Mr. Steiner with all in favor Shawn Vick's resignation was accepted.

B. Consideration of Appointing a New Supervisor to Fill the Unexpired Term (11/2018)

Mr. Perry stated we have a placeholder for items B through D. I know in the past we have had a board member nominate someone but I don't know that we've had enough time for you to discuss this with any other members of this community so we can just defer that to the next meeting. There's no time limit on filling that position.

Mr. Morris stated let's defer it.

C. Oath of Office for Newly Appointed Supervisor

D. Consideration of Resolution 2019-01, Election of Officers

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

A. Approval of the Minutes of the October 15, 2018 Meeting

B. Financial Statements

C. Assessment Receipt Schedule

D. Check Register

Mr. Perry stated for the end of the fiscal year in the general fund we were \$15,000 favorable to the budget under revenues and the bulk of that was related to the settlement agreement on the 55 lots. If you'll remember we received an additional \$25,000 in regards to

that. The administrative expenses were favorable to the budget by \$47,000 so for the general fund overall we had a \$62,000 favorable variance so very good on that fund. After that is the recreation fund and you'll see also in that we were favorable to the budget in regards to the assessments and the amenities revenues. In addition to that if you go through the expenditures in almost every category we were favorable to budget by \$150,000 so for the year just in the recreation fund we ended the year with about \$225,000 favorable to budget.

Mr. Steiner stated at the last meeting we discussed the impacts of the heat in the adult pool and we had a variance of where we were over budget by \$14,000. I went ahead and did a little research on that going back over the last several years. We've been consistently showing \$12,000 as the projected amount for the budget and in 2015 and 2016 when the budgets were done we went ahead and showed where we were really under budget but it was projected to go out to \$12,000 but I couldn't find what the actual was for that so I'm thinking we may have had at least two or three years where we were under budget and if you look at that we are really at about \$10,000 per year. The other thing was the filling of the tanks might have played into it. The only thing that I came up with that I was concerned with is we changed the configuration of the heaters. We have multiple heaters now where we had a single heater. Is that impacting the use?

Mr. Soriano responded a little bit. I did say they aren't as efficient as the other ones; they are about 4% less. You might see about \$2,000 or \$3,000 over. The bigger issue last year compared to years before is I went back through when we closed down and it was only about three weeks. If we keep those pools open we strive to do it by year and keep them open as long as we can so residents can use them, even if it's only two residents. Last year we shut down for three weeks. The temperature last year compared to a couple years ago we had some cold winters. We've actually shut down for two months if you look back to some of the years.

Mr. Steiner stated last year we ran 70 days below normal. That's early this year through the winter months of this last year. The configuration of the heaters is less effective but the cost for replacing the heaters gives us substantial savings so all I'm saying is maybe there's not anything we need to do, other than what we talked about with reducing the temperature because this is not as bad as it looks in this one report.

Mr. Soriano stated no I think I've shared with you guys a report a couple years ago with different heaters that I've had at different facilities. \$26,000 is really not a lot and I think said

\$26,000 over last time but it is \$26,000 total and \$14,000 over. It may be wasteful if you consider how many people are actually out there but we do like being able to say we have a heated pool so we do have that ability even at \$26,000 and we have the room for that. What I was looking for was setting a steadfast schedule. I think the temperature is going to help out a lot but I think we will get those few that complain that it's too cool at 77 or 78 degrees but it least we will be able to say this is what we plan on all year long, it doesn't matter if it's 40 degrees outside.

Mr. Steiner stated I just don't think when you look over multiple years because the filling of the tank plays into that. You just got done doing the fill.

Mr. Soriano stated yes it was \$3,500 for this first fill.

Mr. Steiner stated okay so with that fill that was used last year or in last year's budget time but it's going to reflect on this year's usage so I just wanted to go back.

Mr. Morris asked so you're saying going forward we're not going to see that deficit?

Mr. Steiner responded I think if we look at the long-term and what it averages out over multiple years because of the filling of the tank and everything else. It really catches your eye when we have actuals of \$26,000 when we scheduled for \$12,000 but that's why I went back to look to see if this was really an issue or it's just timing.

Mr. Soriano stated and I think if you look back the highest we've ever set that budget to may have been \$15,000 and that was when we first opened the pool. If you remember back then they talked about closing it off in January and February.

Mr. Steiner stated I went all the way back to 2015 and looked at the usage and the bad thing about it was I only had the projected which meant if you didn't fill the tank it was well under so just some insight into that.

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

FIFTH ORDER OF BUSINESS

Discussion of Landscape Proposals

Mr. Perry stated Jay has provided you with the packets and a summary sheet. The proposals that came in were from Tri-Mac Outdoor, VerdeGo, Budd Group, R&D Landscape, Duval Landscape and Tree Amigos. Jay is going to talk a little bit about each of those but for process we're not asking the Board to make any decisions today. We still want to confirm

some of the references so what we're planning on as staff is providing to you in a couple of weeks a grading sheet that staff is going to compile ranking each of the proposers and in the interim if you have any questions, please feel free to call us. We will then ask for you to provide a ranking sheet and we will consolidate those at the next board meetings of both districts and then we would enter into contract negotiations with the top ranked proposer.

Mr. Soriano stated you'll see there were six proposers that dropped off and nine were involved. One was just a no-show and then we had two that dropped off. One has been a part before and I think their big concern was the irrigation system. They were part of the company that won this bid years ago if you remember Austin Outdoor so they are really hesitant on that irrigation system. That, to me, is the most important part of this RFP is making sure they have a good understanding of what they will need to work on. Out of the six that dropped off there are two that I believe we need to disqualify. Tri-Mac Outdoor was a little upset that they were having to go through this. They felt that they were the clear winners with the first RFP so they didn't follow the rules at all. They dropped off one packet and I did bring it if anybody wants to review it but basically what they did is changed the date on the front and changed the dates where any of the notary stamps were but they printed off the exact same packet from the first round and if you remember not only did we ask questions that we needed answers to, but we also changed some of the stuff regarding pricing so none of that information matched in the packet that they gave me and they didn't bring enough packets to give to you all either. I broke down the pricing from the first one they gave us just so you can compare where everybody is at but as far as them taking part in the process I don't believe they can continue through that. Tree Amigos ended up having an internal issue that kept them out. They had an employee that they let go become a little disgruntled and they couldn't get a hold of any of their paperwork. They called me but there's really not much I can do. There are deadlines in place and I don't think we can do anything to change that. I think that would just open the door for other vendors to complain. It's unfortunate because Tree Amigos is a really well known company that does good work. They were able to give me one page with yearly totals for each district so I was able to give you the three-year contract just to compare. They would have been kind of high anyway but I can tell you they do a tremendous job out at Eagle Harbor. For the Tri-Mac I'm kind of happy it allowed me to see the professionalism or lack there of because maybe if they had gone through the process it would have been a whole different story. That left four

companies and three are rather competitive. The Budd Group is extremely high and also if you went through their packet they did forget a lot of information. They didn't do the unit pricing at the end so we have no additional information. They are also out of Orlando so it is very hard to even deal with them. There are minimum requirements that we set forth in our packet so they did mention they had plans on getting an office here if they are awarded but I'm really looking at the three others, VerdeGo, Duval and R&D. You'll notice R&D has changed their pricing quite a bit. All three of these companies are actually in really good market value and that's kind of what we were looking for the first time around and some of those things that we felt we were lacking from the first round I think we got with VerdeGo. If you look at their packet it is really impressive. They were out here many days with their full group taking the time to walk the properties and measure everything out so we do have that professionalism and care and responsiveness that I didn't see that first round. If you look at the pricing if that ends up being our bottom line they are kind of in the middle so not bad on pricing but it is a little bit of an increase. What I did for this round since you guys are doing the committee meeting we did last time, I did include Double Branch's amounts. Remember we are voting together to pick out one company. If you look, they weren't in the middle for Double Branch they were actually more expensive. They are definitely worth a look but at the same time with that grading sheet I gave you today Duval will end up having an automatic 20 points for having the lowest three year contract out of all of them. Duval, R&D and VerdeGo are only within one point of each other for the three-year contract price category. VerdeGo does not have a long history with local CDDs. They do have CDDs, one very big one Jim works with is RiverTown but they've only been there a couple months so we can get information on how they are doing over there. Last time I mentioned Duval being at Watermill, however they are no longer there. I would like to get you guys some information on local neighborhoods if you want to drive through and take a look but if not, we do have the packets and contract amounts. What I would ask is that we take the next couple of weeks to look at the packets and figure out your grading. You will get grading from Jim and I and I'm also going to deliver packets to Peter Ma and we will share our grading with you about a week before the next meeting so that we can have everything tallied up between you and your sister district for awarding.

Mr. Swartz asked to make this simpler are you suggesting we should just throw the Budd Group out?

Mr. Soriano responded I don't want to say throw them out but I wouldn't spend a lot of time on it. At \$2.2 million it's not something we're looking for.

Mr. Morris stated so we've got this grading sheet and then you will collect these from us a week or two before the next meeting?

Mr. Soriano responded after Thanksgiving I will get these sheets back from you. In December we have a regular meeting on the second Monday so we have time to get these tallied up about a week before the meeting and then we can do the awarding with that meeting. I have given R&D their notice. They have done a good job while they are here waiting but the notice was in effect because whether they win or lose we have to give notice to end one contract and start a new contract January 1st.

SIXTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Walters stated I wanted to give you a heads up in case you see anything on my bills or if you hear anything in general. A few of you may remember close to ten years ago there was a lot of discussion and we had agreements in place based on impact fees. If you recall with the County there were all sorts of impact fees that were due and there were moratoriums placed on those, but as an entity that put in a lot of roadways we were entiteled to a lot of roadway impact fee credits which simply means we don't have to pay those fees and if someone else wanted to buy them from us they could. We had gone through a lot of work to put in an agreement where we could sell those and how the machinations would work. That was right before they put in the moratorium so it was kind of an all for not but I have been getting some contact from the County Attorney's office and I know they had at least planned to amend their impact fee ordinance and I think there was probably going to be some reinstating of impact fees and that may impact our agreement so you may see some small entries on the bills for that I just wanted to give you an update because I don't want anyone thinking that there is going to be new fees for us or that this is going to impact current residents. If anything, if this all goes through and there's an option there, we may be able to sell some of those credits at a discount because if someone is going to pay a \$5,000 impact fee, if they can buy it from us for \$3,000

obviously that is advantageous to them. If you hear anything regarding those feel free to reach out to me and I'll follow up with them and see where we land on that and then we can explore options in terms of what we can do with those impact credits.

B. District Engineer

There being none, the next item followed.

C. District Manager

There being none, the next item followed.

D. Operations Manager – Report

Mr. Soriano stated we've just gotten through the Pumpkin Plunge event. There were about 170 signed up for that event at your sister district and we ended up with about 140 that actually showed up. It was a little chilly that morning but the weather was great and the kids had lots of fun. I ended up with about 40 extra pumpkins and I was able to get a hold of a local charity, The National Guard, and we were able to donate those pumpkins to some of the National Guard families whose spouses are deployed right now.

You'll see the numbers are slowing down. Because of the warm weather I reported to you guys last month that we were planning on keeping the pools open. We had one day where it was used and the rest of the time the staff sat here all day long and basically cleaned the pools. This is the end of the year and it's nice to say we have a pool we can swim in but there are so many other things going on like sports and fall festivals. The pools are closed as of the last weekend in October and now the only facility that's open is your facility here. We have swim at your own risk for the adult pool.

Moving on to the maintenance side of things, we don't have anything at this moment that we are in need of that I need you to approve.

EIGHTH ORDER OF BUSINESS

**Audience Comments / Supervisors'
Requests**

Ms. Tingle stated as I'm sitting here thinking I just have one question. Would it be safe to say that I should wait until you guys come to a decision or can I go ahead and plan for February?

Mr. Soriano responded my other concern with pre-planning, even if she wants to do it every other month, this room is for weddings and we even made sure that we kept the rates for the residents as low as possible for the residents here that wanted to use this room for their wedding, not for those businesses. If she's renting out or reserving the room we actually take

away from what we were trying to do so I don't know that I would want to reserve for those reasons unless we were going to move forward with something that says we can allow a quarterly or every other season type thing like we do at your sister district with the expo.

Mr. Morris stated again, I think it's got to go back to how are we restricted with regard to the bond financing.

Ms. Tingle stated I understand what he's saying that it should be for residents who want to do weddings and not make a profit but the people that the weddings are bringing in are making a profit. When you hire caterers and decorators and everything else, they are making profits. Not the person holding the wedding, they are not making a profit it's costing them money. She's doing the same thing, she is not making a profit, she is doing something for the community who wants to show what they have to offer and 90% of the time they are not making a profit either because they have to pay for their space and then they have to go over that space rental to make a profit but they get contacts and that's what they are doing basically. If they do make a sale, it's not going to cover the price of what they rented this space for. A caterer however, it's going to be a lot larger than what a person would rent this space for.

Mr. Walters stated we will have an answer for you by the next meeting which will be early December. I don't know how much lead time people need but I tend to agree with Jay that we ought to take a look at this first and we can get back to the Board in December.

Mr. Perry stated if you'll recall we had an issue years ago with a wedding planner that was renting the facility on an almost monthly basis and we had to stop that because obviously they were running a business.

Ms. Tingle stated I don't mind the rule. I abide by every rule that is thrown at me and every time I rent this facility a new rule is added to me. First, I can't have a DJ because it upsets the people at the pool. I can't put signs out because they are not allowed on Oakleaf property even though there are signs out here 24/7 whether it's for churches, yard sales, open houses, or businesses. I can't have food trucks unless they park inside of a parking spot. Every time I hold an event here an email is sent to me saying I can't do this.

Mr. Soriano stated they aren't new rules. It's actually printed in those contracts and as policy for residents. I can't control every realtor or church that puts a sign out there but as a rental I told you three days before the event you couldn't anything out there. When it comes to the DJ, we don't even allow our rentals to put DJs out there and point the speakers to the

parking lot. We don't allow food trucks in our parking lot. Right now, food trucks come up on the weekends and want to just park out there and we can't do that and then I found out you were inviting them.

Ms. Tingle stated they weren't invited they were paying for a spot.

Mr. Soriano stated we can't allow that so they're not new rules they are the rules that are in place.

Ms. Tingle stated they are not in the rules because I've been looking since. If you can send me a copy that would be great because I can't find them. In fact, the rule about the residential fee I was told I had to go hunt for it in the meetings because it's not in the actual rules itself.

Mr. Perry stated there are rules and rates and we can provide that to you.

Ms. Tingle stated like I said, they are not on the websites. I've abided by everything that has been given to me. In fact, I had comments from the ladies that work here saying that they love the fact that I clean this place top to bottom and that's part of the deal.

Mr. Steiner stated you had alluded to the rule about limiting the rental of this hall to a certain number of times per resident. Each year we go back to review all of this and the reason that rule was put in place because we found wedding planners were using it to go ahead and profit because they could get the room at a lower price.

Ms. Tingle stated I don't mind paying a non-residential fee.

Mr. Steiner stated we've impacted some of the members of the Board at that time because they had multiple children so hopefully they don't all get married in the same year because it will be a problem but we've adjusted and put rules in place based on the conditions so what they're going to look at is the impact on the bond situation and look at how we avoid this being abused. That's what has to happen right now. We're not trying to push anyone out of doing their activities, it's just that this is a community environment and we operate under different rules.

Ms. Tingle stated I understand and that's why I'm doing this. I'm doing it for the community. I don't even use my name when I do this stuff. I don't want recognition for doing this; I just want these businesses to have a fair chance to showcase what they have as well instead of just the select few that get together on the weekends because they're friends.

Mr. Billy Genovese stated I'm the Director of Business Development with VerdeGo Landscape. We just want to thank you guys for the opportunity to submit a bid for your wonderful neighborhood and I'm here if you have any questions.

Mr. Morris stated it's a really nice proposal and well put together.

NINTH ORDER OF BUSINESS

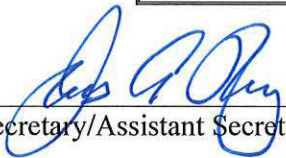
**Next Scheduled Meeting – December 10,
2018 at 2:00 p.m. at the Plantation Oaks
Amenity Center**

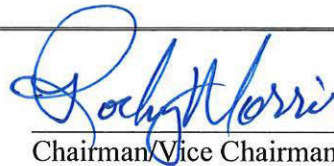
Mr. Perry stated our next regular meeting is going to be December 10th at 2:00.

TENTH 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