

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, March 14, 2022 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:

Michael Steiner	Chairman
Tim Hartigan	Vice Chairman
Jason Mifsud	Supervisor
Jeremy Spellman	Supervisor
Jonel Hicks	Supervisor

Also present were:

Marilee Giles	District Manager
Mike Eckert	District Counsel
Jay Soriano	Operations Manager
Chalon Suchsland	VerdeGo Landscape
Crys LaFata	S3 Security

FIRST ORDER OF BUSINESS

Call to Order

Ms. Giles called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being no members of the public present, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for Newly Appointed Supervisor

Ms. Giles informed the board Mr. Hicks was sworn in prior to the meeting.

B. Consideration of Resolution 2022-07, Designating Officers

Ms. Giles stated this resolution is to add Mr. Hicks as an Assistant Secretary and, as a form of general housekeeping for GMS, to remove Mr. Ernesto Torres who is no longer with GMS. Also, Mr. Swartz was the Vice Chair, so we need to designate a Vice Chairman.

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Chairman Steiner stated I'd like to nominate Mr. Hartigan to serve as the Vice Chairman.

On MOTION by Chairman Steiner seconded by Mr. Mifsud with all in favor Resolution 2022-07, designating officers with the changes listed above was approved.

FOURTH ORDER OF BUSINESS **Approval of Consent Agenda**

- A. Approval of the Minutes of the February 14, 2022 Meeting**
- B. Financial Statements**
- C. Assessment Receipt Schedule**
- D. Check Register**

Ms. Giles stated included in your package are the minutes of the last meeting, the financial statements as of January 31st, your assessment receipts schedule showing you are 96% collected, and the check register totaling \$161,488.36.

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

FIFTH ORDER OF BUSINESS **Acceptance of the Audit Committee's Recommendation**

Ms. Giles stated the Audit Committee met prior to this meeting and has made a recommendation to use the evaluation criteria you see in the agenda package.

On MOTION by Vice Chairman Hartigan seconded by Mr. Spellman with all in favor the audit committee's recommendation was accepted.

SIXTH ORDER OF BUSINESS **Consideration of Resolution 2022-08, Designating a Registered Agent and Registered Office**

Mr. Eckert stated Kutak Rock's permanent office is open in Tallahassee and that's all this resolution does is recognize that change in address.

On MOTION by Chairman Steiner seconded by Vice Chairman Hartigan with all in favor Resolution 2022-08, designating a registered agent and registered office was approved.

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SEVENTH ORDER OF BUSINESS**Consideration of Resolution 2022-09,
Ratifying Actions Taken in Connection with
the Sale and Closing of the 2022 Refunding
Bonds**

Mr. Eckert stated this is for the bond transaction we had in January or February, which was a refinancing of some of the District's bonds. You all approved that through a series of resolutions, but there were actions that were taken after your board meeting by your Chairman, and by your staff to consummate that bond transaction, so we're asking the Board to approve this resolution which ratifies those actions.

On MOTION by Vice Chairman Hartigan seconded by Mr. Spellman with all in favor Resolution 2022-09, ratifying actions taken in connection with the sale and closing of the 2022 refunding bonds was approved.

EIGHTH ORDER OF BUSINESS**Discussion on Memo Regarding Use of
Savings from Refinancing**

Ms. Giles stated this is the memo that District Counsel prepared for us describing options for use of the savings from the bond refinancing. Jay is still working on the capital reserve study and then we can look at what we have in the capital reserves. We're in no hurry to make this decision, we've got a few months before we enter budget season and before we would bring a proposed budget to you guys.

Chairman Steiner stated before we continue, for the benefit of the newer supervisors, we have not raised our assessments in this community for over 10 years. We're an aging community and as you're quite aware, the labor rates have gone up along with everything else. We've done very well in managing the assets that were available. We did do a bond refinance back then. We took that savings and used it towards the O&M. You'll see an option in here, option two, that decreases the debt and moves funds over to cover an increase in the O&M, but assessments to the individual owners does not increase. If we were to go ahead and use the results of the refinancing at this time as a savings, it is quite possible within the next year or two we would have to come back and increase the assessments, so by doing what is in option two, it gives us the ability to tie it to our reserve study to see where we stand there and also provide funding into the O&M budget that would allow us to do some projects that need to be accomplished or we would like to have accomplished without adding additional burden to the owners.

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Vice Chairman Hartigan asked you're saying option two, but isn't option one a better option than option two? Option one is the one that we're allowed to do that and there's no change in the total assessments.

Chairman Steiner stated I apologize, I meant option one.

Vice Chairman Hartigan stated you're right, with option two and option three we'd have to come back within a year if material and labor costs keep escalating to raise the assessments.

Chairman Steiner stated we don't have to decide at this meeting, so it's just something to keep in mind and because we do have new members, providing them with some background for making a decision. Ideally, we will get our reserve study in here and we can make sure everything is where it's supposed to be and then we can make the decision just prior to the budget planning for next year. Correct?

Mr. Eckert responded you should try to make the decision by your May meeting. You can have higher numbers in your budget and then bring them down in August. If you get the numbers you need for the reserve study, you're going to have enough information to know. Another way to summarize this is, the District refinanced its bonds. That created a savings for the District of \$242,000 per year. We can either use that \$242,000 savings a year to plug any holes that we have and what we think we're going to need over the next five years, or we can do nothing and then there would be a savings to the residents. But what you don't want to have happen is to say we saved you money this year and then next year you say you're raising assessments. We want to have it as stable as we possibly can. It's just a numbers issue. Obviously, if you have way more than you ever need, then that's an easier issue. But, if we anticipate a need moving forward, it's probably better for you to increase your O&M now so you're not bouncing up and down in terms of total assessment levels for people from year to year.

Ms. Giles stated there's no motion needed tonight. I don't want to rush the Board. We can continue the discussion tonight, or we can continue it next month. I'm not sure if Jay will have the reserve study back in April or May, we just want to move in the direction of making that decision by May so we can address any questions or concerns tonight or continue with the agenda.

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Mr. Spellman stated in month's past we talked about this option and making sure residents are aware of the savings and how we're going to reallocate the money. Has anything changed with that?

Mr. Eckert stated nothing has changed with that. What we don't know yet is the message. We don't want to say we saved money, but then in May you decide you need to put more money in your reserves, so you don't really save from a net standpoint. I think you all will need to make some decisions based on the numbers Jay provides and from there we will look at the message that is put out to the community based on the policy decisions this Board will make.

Chairman Steiner stated and if I'm not mistaken, that requires a written notice be sent to all owners.

Mr. Eckert stated yes, if you raise your O&M assessments, even if the net doesn't go up for residents, there will have to be a mailed notice sent to all homeowners.

Ms. Giles stated so I think options one and two require a mailed notice.

Mr. Eckert stated that is correct.

Mr. Hicks asked what is the O&M assessment?

Mr. Eckert responded for this District, there are two sources of revenue. There are the debt assessments, and that is what is used to service our bonds, similar to a mortgage. That is what went down. The other revenue stream that the District has is the operations and maintenance assessments. Those are levied every year and that is what pays for the lights, the recreation, and things like that on an annual basis. So, when I say O&M, that's what I mean.

Mr. Soriano stated on average, your single-family home is going to be almost \$1,700 for both portions of the assessments. About \$900 of that is the O&M.

Ms. Giles asked is there anything on the capital reserve study you want to mention?

Mr. Soriano responded this was done about seven years ago, so we're updating everything that we've done in those seven years whether it's new installs or things we've updated. I go through and do all that. I spoke with Charlie Sheppard. He's hoping to come out the end of this week or beginning of next week to do a walk-through to see if I've missed anything or if he notices anything we need to update. The plan is to have that report back for the April meeting and that will help us a little bit with that decision. A big part of the O&M goes towards the capital. Of course, we can talk about some of the other items like our day-to-day operations. We've talked about staff over the summer, which is a huge hit. It's between \$160,000

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to \$170,000 just for seasonal employees to be able to handle the pools. We have an increase for minimum wage that goes up \$1 a year. We pay more than minimum wage for our lifeguards because we won't get a lot of interest if we pay minimum wage. It gets to the point where in five years when everybody is making \$15 minimum wage, I have high school kids out here that will be making \$18 to \$20 an hour. That \$160,000 then becomes \$240,000, so those are the things we have to look at in that overall budget. Not just this year, but for the next five years. The capital budget is a big one because we could easily spend \$70,000 to re-roof this place. One project can be a lot of money. I go through every year and make plans of what we really need to work on this year, things that I'm worried we may have to do early, and things that I've put off in the study. That's a big part of my plan is to make things last longer. I have a lot of that ready for you now so you can come to me and talk about it, but that is what goes into our budget season every year when we start this process. That will be big to see that capital reserve study next month and then we can revise if you say we're planning on doing this big project such as re-tiling the bathrooms, you may say you want to do that every ten years instead of every year 15 years, things like that. You guys can pick that study apart and revise it and he can adjust his numbers to understand if we're well funded for what we want to do. We can also say we're going to pinch pennies and not do a lot. It's your decision.

NINTH ORDER OF BUSINESS**Staff Reports****A. District Counsel**

Mr. Eckert stated the legislative session was supposed to wrap up today, so I'm hoping to get a memo out to the Board this week to let you know what changes we need to make to our processes and what training you may have to go through, if any, and also where the sovereign immunity caps landed. Most of the time on issues that affect us, the Governor signs it into law. I had one that got vetoed that related to District business, but vetoes are usually on a little more politically charged issues.

B. District Engineer

There being nothing to report, the next item followed.

C. District Manager

There being nothing to report, the next item followed.

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D. Operations Manager – Memorandum

Mr. Soriano stated I missed one item with the capital report. I just want to remind you guys to get me any wish list items. Those are things that are not already listed in the capital report. If there are things you'd like to see added into this planning, send them to me before the April meeting so I can figure that in. It helps us figure out a financial plan if we want to do some of those items.

Vice Chairman asked do we have the space for a dog park? I thought we didn't.

Mr. Soriano responded we don't and now that we're doing fencing that's a little tough because we had talked about things here and we have that big lawn in the back. Even Double Branch did not have space for a dog park but cut a large playground in half. So, it's not a big dog park. It may be less than half an acre, but enough that people really enjoy it. I could find space like that, but you don't have any extra areas. Ideas like that are what we want though.

Mr. Spellman asked what is the CDDs liability for the dog park.

Mr. Soriano responded with almost everything we do we will increase potential liability. I speak with our insurance company, EGIS, and we do walk throughs every year to inspect our facilities just like our engineers do to make sure everything is kept up well and also planning and what kind of operations we do, such as do we allow swim at your own risk. They assess that and give us that overall liability insurance bill. Everything we do adds to it, so just by opening up one dog park we didn't get an increase over at Double Branch. Even then, that's where some of those concerns like sovereign immunity fall into and how lawsuits work. That's a different conversation. We do get hit with things like slip and falls and threats of lawsuits, for which we have insurance. We do have to have correct signage and I go into recommendations, and I give that to the Board such as sizing, fencing, how we stop and control. Those controls are things I talk about when we do those items. There are things we may think are great ideas, but in the long run it may not be. We have talked about doing alcohol here at our pools. Some facilities have that, but that also increases potential liability. It could work and it could open up more problems. It could also depend on the neighborhood. Some neighborhoods may have more problems than others. Those are things I bring to you and you guys decide if you want to take more risk. We could always put in more controls to handle that operation.

Mr. Soriano continued with his report.

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We just had an event at your sister district, and this is the first time I've ever canceled an event. I don't have a lot of staff to help me set everything up, and by that time of night they're usually gone. We waited until 6:00. We have to pay to show the movies that we show. The nice part is, I get to reuse that license so we're going to figure out how I can get an extra movie in at the pools this summer. The only time it is tough is when we have a holiday themed movie. We have an Easter movie coming up, it's *Peter Rabbit 2*. If that gets canceled out, I have to make sure I play it again before the year's end at next Easter because it doesn't work out as well to play it any other month.

I wanted to mention that pickleball will be organizing a tournament over at Double Branch. Last month your sister district approved renovating two of their existing courts to make six dedicated pickleball courts. They put aside a good amount of money. The hope with the tournament is to raise at least \$5,000 that will go back to the District to help offset those costs. That will be April 1st and 2nd if you have any interest in checking that out. I won't be able to start any renovations over there until after that tournament.

You'll see the numbers for rentals slowly are sneaking up, but we are still not back to our normal levels. I'm hoping good weather will bring more wedding and shower venues in here to bring that revenue back up.

We hope we will have a date for fencing. I reached out to the vendor at the end of last week and I did not get a returned email, but if you recall, once we signed the contract it was 105 days until the install, so we are into the second month now. The big part of it is delivery. The reason we went with this company rather than the first bid we got was timing. The week after they get supplies in, they will be here to start the install. I'm just waiting for them to tell me if they've heard from their supplier. I will update you guys if they give me a date anytime soon.

We talked about coordination of the capital study. I've gone through everything that we've done in the last seven years since the last study to try to remember what we've updated, what we've spent money on and give them receipts so I can give them a good estimate and they can put that life expectancy in there for everything.

Mr. Spellman stated I see the third maintenance item on your report, touch up painting on decorative street poles. You and I have had conversations in the past. Is the plan still if they're damaged and non-repairable, they get replaced by the City or the County?

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Mr. Soriano responded only if it's a traffic flow sign. We have some signs that are decorative, and we will continue to put those signs out, such as the reclaimed signs. The County doesn't care about it and it doesn't have anything to do with traffic flow so we do those. We use the aluminum poles. We don't use the galvanized steel. For the traffic control, I prefer to go through the County because there are a lot of laws concerns height, distance and things like that and that are people that will blame everybody else in a car accident so they would include the CDD in that too, even though we don't own the roads and we have nothing to do with traffic controls. Once we start doing things like moving signs around and putting things on decorative poles so they have a look we like, that is different. The County doesn't agree with that, and they won't touch the decorative poles. Everything else I can call them, they will come out, they do the install, and it then falls on them. Over the years if somebody takes out a decorative pole in a car crash or something like that, I don't replace it if it's a traffic control sign.

Mr. Spellman asked so nothing has changed?

Mr. Soriano responded no. I've mentioned that to the Board and when I explained why we've done that you guys have agreed because of liability concerns, but it doesn't mean we have to. We can do everything decorative and buy our own signs.

Ms. Suchsland stated I have a question for the Board. For those of you that are new, our landscape contract includes a contractual number of plants and sod that we replace within the contract. So, every spring I start looking at different things and Jay and I have started discussing the sod replacement. I'm looking at the promenade and there's a lot of river birch trees that we have lost in the last two to three years even before I got here. Do you want to replace those with another deciduous tree, or do you want to go blooming trees such as the crape myrtles to match? You don't have to answer me tonight. It's just something I'd like to do this year in the contract since we've lost quite a few.

Mr. Soriano stated this would probably eat up a good amount of the contractual replacements because there are a lot of birch out there. We can start by removing them completely.

Ms. Suchsland stated yes, or we can do two or three at a time each year.

Mr. Soriano stated I'd definitely remove all of the ones that are clearly dead, that way you can get an idea visually if we want to replace them with something large or small or not replace them at all. We spent around \$14,000 a couple of years ago to really make it look good.

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Mr. Spellman asked are we talking about over by the gazebo, or all the way down?

Ms. Suchsland responded all the way down. If you choose not to replace them, we can just sod over it. It's just something I wanted to bring to your attention so you can give me direction next month.

Vice Chairman Hartigan stated I'd like to see more color.

Chairman Steiner stated I'm waiting to see how the crape myrtles come back.

Vice Chairman Hartigan stated crape myrtles are relatively inexpensive if we get them young enough.

Chairman Steiner stated we've got quite a few out there and they're just starting to bloom. There are some areas where one of the complaints was once they grow, they block off the view, and it's not going to matter whether there's a lot of color if it's blocking the view of the lake. It may be worthwhile in some cases to put in some type of flowering plants that are a bush height. I would think we would want to work with Jay to understand the impacts of our desires before we move forward.

Ms. Suchsland stated we can bring in a stump grinder and sod over or we can bring in bushes, and if you don't want to use the contractual, we can always bring a proposal that puts it in your budget for the next year or two.

Vice Chairman Hartigan asked when are you going to start removing these trees?

Ms. Suchsland responded as they've died off. Some of them have already been flush cut because they were just dead and sticky. Some of them were iffy so we will see how they do this spring and if they don't survive, we will haul them out.

Mr. Soriano stated we can go out and mark the trees. There are some that have been dying for the last few years. I don't see them coming back anymore. That promenade walkway is almost three quarters of a mile, so there are a lot of trees out there. If we're going to pull 22 trees, it's going to make a big difference on how it looks even if they're almost dead. I like the idea of contractual because it's not an extra expense. We have a good amount of sod, a bunch of one-gallon plants and three-gallon plants that are contractual that will add up, but not to a lot of trees so that might be extra money too.

Chairman Steiner asked and that extra money is what comes out of O&M?

Mr. Soriano responded right.

Ms. Suchsland stated your contractual money all together with sod and plants is \$16,500.

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Chairman Steiner stated that's the whole community, not just the promenade.

TENTH ORDER OF BUSINESS

**Audience Comments / Supervisors'
Requests**

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting

Ms. Giles stated the next scheduled meeting is April 11th at 2:00 p.m. here at the Plantation Oaks Amenity Center. I do want to point out that this meeting was one of two-night meetings. Our next night meeting is August 15th, the third Monday of the month, so it's a little out of cycle for us.

TWELFTH ORDER OF BUSINESS

Adjournment

On MOTION by Chairman Steiner seconded by Vice Chairman Hartigan with all in favor the meeting was adjourned.

DocuSigned by:
Marilee Giles
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Secretary/Assistant Secretary

DocuSigned by:
Michael Steiner
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Chairman/Vice Chairman