

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, January 10, 2022 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:

Michael Steiner	Chairman
Rod Swartz	Vice Chairman
Tim Hartigan	Supervisor
Jason Mifsud	Supervisor
Jeremy Spellman	Supervisor

Also present were:

Marilee Giles	District Manager
Mike Eckert	District Counsel
Jay Soriano	Operations Manager
Chalon Suchsland	VerdeGo Landscape
Crys Grizzle	S3 Security
Rhonda Mossing	MBS Capital Markets (by phone)
Bob Gang	Greenberg Traurig (by phone)

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 none, the next item followed.

THIRD ORDER OF BUSINESS

**Financing Matters Related to the Series
2022 Bonds**

Ms. Mossing stated the bonds were refunded through Hancock Whitney Bank based on the term sheet the Board approved at the last meeting, which has resulted in savings to the residents between \$117 per year for single-family and about \$78 per year for the multi-family. Bob will review the different terms.

A. Consideration of Supplemental Assessment Methodology Report

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Mr. Eckert stated the supplemental assessment methodology report takes the terms of the bond sale and runs them through your assessment methodology. That report was prepared by GMS and is in your agenda package. Unless you have questions on the report, we can go on to the delegation resolution because that assessment methodology report is technically approved through the last item, the supplemental assessment resolution.

B. Consideration of Delegation Resolution 2022-04

Mr. Gang stated resolution 2022-04 is the follow up of the action you took at your last meeting. The 2008-1 bonds, which were the senior bonds held previously by Hancock Whitney Bank are being refunded and we're leaving the 2018-2 bonds in place as subordinate bonds below them. The documents that you are approving today in substantially final form are the sixth supplemental indenture. The original master indenture was created back in 2003 and 2004 and you refunded the original bonds with your fifth supplemental indenture in 2018. The numbers that Rhonda has prepared are incorporated into the sixth supplemental indenture. Hancock Whitney Bank is not only your bondholder for the senior lien bonds, Series 2022 bonds, but in 2018 took over as trustee under your master indenture. There will be documents signed right after this meeting and on the 13th we will actually be funding. Hancock as the holder of the 2018-1 Bonds will surrender those for termination, so there is no long escrow or anything like that. We're in the process of getting signatures from other parties and a board member will be signing today and we will have everything assembled and circulated around prior to the 13th for funding.

On MOTION by Chairman Steiner seconded by Vice Chairman Swartz with all in favor Delegation Resolution 2022-04 was approved.
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C. Consideration of Supplemental Assessment Resolution 2022-05

Mr. Eckert stated the title of the resolution is "Resolution 2022-05, a resolution approving the reduced special assessments of Middle Village Community Development District due to the issuance of the senior special assessment refunding bonds Series 2022; approving, adopting and confirming a supplemental assessment allocation report; approving the annual debt service on the Series 2022 Bonds; confirming, allocating, and authorizing the collection of special assessments securing the Series 2022 bonds and the outstanding 2018-2 Bonds; providing for

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the supplement to the improvement lien book; providing for conflicts, severability and an effective date.” Any time you issue bonds you have a supplemental assessment resolution, so the way we do things is you typically have a master assessment lien and that includes the entire cost of the project that you could do, and then we also have supplemental reports each time you issue bonds so that your assessments will match the terms of the bonds sale. Section one provides the authority for the resolution. Section two contains findings in terms of actions that have been taken and reports that have been adopted by the Board. Section three confirms the maximum assessment lien for the Series 2022 bonds and the outstanding 2018-2 bonds. Section four deals with the allocation of the assessments securing both series of bonds that I just mentioned. Section five provides that the District Manager is directed to update the improvement lien book to show the reduced assessments. Section six basically says the other provisions of the prior assessment resolutions remain in effect unless they conflict with this resolution. Sections seven and eight are housekeeping in nature. Exhibit A is going to be the assessment report you just reviewed for the 2022 bonds. Exhibit B is included in your agenda package and that is the District’s annual debt service payment schedule for the bonds. Some people refer to that as an amortization schedule.

On MOTION by Vice Chairman Swartz seconded by Mr. Hartigan with all in favor Supplemental Assessment Resolution 2022-05 was approved.

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the December 13, 2021 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 November 30th, your assessment receipts schedule showing you are 88% collected, and the check register for \$346,110.20.

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

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FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2022-06,
Adopting Revised Prompt Payment Policies**

Ms. Giles stated District Counsel has gone over this a few times with us already, so unless you have any questions, I'm looking for a motion to approve.

The Board had no questions.

On MOTION by Chairman Steiner seconded by Vice Chairman Swartz with all in favor Resolution 2022-06, adopting revised prompt payment policies was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Eckert stated our bond sale is scheduled for January 13th, so on Thursday it will be official. The reduced assessment amounts will be incorporated into next year's tax invoices issued by the county.

B. District Engineer – Consideration of Work Authorization for Preparing a Stormwater Needs Analysis Report

Mr. Eckert stated one of the memos I shared with you at a prior meeting explained that the State adopted a new requirement that we have to have a 20-year needs analysis for our stormwater management system. This is the proposal from your District Engineer to prepare that needs analysis. I know they have the template that has been provided by the State of Florida and I think they proposed to do it on an hourly basis. Nobody really knows how much this is going to cost at this point in time, so we would also recommend the hourly fee rather than just estimate high on a flat fee.

Chairman Steiner stated there's a line item in the budget for engineering of \$10,500, so it should cover that. I don't know if it was earmarked for that particular item.

Mr. Eckert stated I don't think we would have planned for it. This is one of those unfunded mandates that came down from Tallahassee in the summer.

Mr. Mifsud asked what happens if things need to be corrected? Is there an allocation for it already, or is that something we will have to put into the budget?

Mr. Eckert responded anything that is an emergency you all know about it quickly, but if it's something such as we're seeing over the next two to the three years, such as a big concrete pipe needs to be replaced, we would build that into the budget and take care of it the next fiscal year unless there's some reason you can't do that and have to take care of it now. The engineer

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may identify some things, but he may not. He may come back and say it's operating exactly as it should be and then we would put that information into our needs analysis.

On MOTION by Chairman Steiner seconded by Vice Chairman Swartz with all in favor the work authorization for preparing a stormwater needs analysis report was approved.

C. District Manager – Discussion of Communication to Residents on Refinance Savings

Ms. Giles stated District Counsel and I were talking about how to lead this discussion. I think there are two courses of action. I think the first is to announce to the community what the savings are due to the refinancing, and as Rhonda said it's not much when you look at each rooftop. It's about \$118 per rooftop for single family. It's still a good news story no matter how you package this, but based on that savings, this could mean no budget increases over the next couple of years, and we could push that to O&M and to the capital reserves, but it's kind of too early to talk too much about it. We will have to see how the budget season plays out.

Mr. Eckert stated I agree. Communities do different things when a refinancing is done that saves money on the debt assessment side. Keep in mind that you have two buckets. One is debt assessment revenue, and the other bucket is O&M assessment revenue, and they are completely different under the law. Anytime you raise either one of those buckets, you have to do a mailed and published notice to the community saying your raising their assessments by a certain amount, there's a public hearing and they're invited to come to the public hearing and provide whatever comments they want. In this particular case, we're reducing the assessments in the debt service bucket, which means when we get to April or May, you as a board can do one of three things. Option 1 is you can choose not to increase your O&M assessments, which means you're not going to be increasing the amount you put into capital reserves, and then everybody's assessment goes down by the amount of the savings we just talked about. Option two is you can increase your O&M assessment by the amount that your debt service assessments decreased, which means that there is no net increase on the residents, but you're still going to have to send a letter and the letter is going to say, we reduced your debt assessments, but we're going to put an extra \$100 per household back into a reserve fund, or we're going to do a new project, but the net amount of your assessments is not going to increase. Option 3 is passing a portion of the

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savings on and using a portion to fund your capital reserve. I think the reason Marilee is saying we're a little bit premature to have this discussion about how to announce this is I think there needs to be an analysis of your capital reserve fund to find out if there is a shortfall, or if there is another project you all want to do in the near term where you might want to use that savings. I think we have to do that financial analysis, present that to you, and ask you what you would like us to do moving forward. Because we have the budget season coming up, I would discourage the Board from going out to the community and saying we just saved you \$100, because they could get a letter in May saying we're going to use that \$100 in this way, so there really isn't going to be a reduction on your tax bill. The Board makes that decision on how the savings is used or not used.

Chairman Steiner asked will you and Marilee or GMS be putting together proposals?

Mr. Eckert responded GMS will be putting together the numbers and then I can do a brief memo to the Board outlining those three options so it is in the record and if the residents have input, they can come to the meeting and provide that input.

Vice Chairman Swartz asked have we had any discussion as a Board on projects that we should be looking at funding?

Mr. Hartigan stated we're about to find out what we need to do with the capital reserve study. That study will be the biggest catalyst as far as what we need to put money to.

Chairman Steiner stated and Jay works against a list of projects.

Mr. Soriano stated it's been over five years now since we've done the study, however this isn't going to include any major infrastructure stuff such as the problems with our underground pipe. This company walks through all the facilities, gets with me on when we installed everything or purchased everything, and they estimate a lifespan and let us know what we should be putting away to take care of all of these facilities.

Vice Chairman Swartz stated my question was do we have a wish list of things we would like to get done around here, such as our entrance down here off of Florida-23. It's owned by the State, but it looks terrible and is not landscaped well. What I would like to see is some way of getting with the state to landscape that to make the area under the power lines not look like a weed-fest. Should we all come up with some of those and have a list of things we think need to be done?

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Mr. Soriano stated this study is stuff that we actually own, but as far as a wish list beyond that, we've never discussed anything like that. We're doing good and we're fully funded according to this study, even with the purchase of a fence. I would recommend that we update the study. The bigger items, whether they're wish list, or deeper infrastructure we haven't planned for.

Mr. Spellman asked so that is just what is owned, taking into consideration deterioration, roofing, and things like that?

Mr. Soriano responded yes. It breaks it down per year, building by building and it explains all the costs. We can send a link back out for you guys that are new because it is a big packet. It does not include anything we would wish to do.

Vice Chairman Swartz stated that's just my suggestion is to come up with some wish list items between now and the next meeting. Are we going to update that report, or is that on the agenda?

Mr. Soriano stated it's not on the agenda. It would be up to you guys. At any time we can put a bid out for third party companies to update the study. This doesn't come from me, although I do have my own. Many of you guy shave talked to me about mine and it kind of matches up with everything pretty well. I think it's good for you guys to look at getting a company out here this next year to do that. It takes a couple of months to walk through everything.

Mr. Eckert stated for the next board meeting staff can get proposals. There are usually only two or three different companies that do this type of work for CDDs.

Mr. Spellman asked are we going to have our wish list in time for that report to be completed to be included?

Mr. Eckert responded you won't see work product from that report until probably April or May at the earliest.

Vice Chairman Swartz stated it wouldn't go into that report, because that's only going to be a report of what we have such as what is the lifespan of every chair we have on the pool deck.

Mr. Spellman stated before we were talking about having a wish list in that study.

Vice Chairman Swartz stated I don't think it would be included in the study. We would use that study to determine a budget and what we're doing with the \$118.

Mr. Eckert stated the study is going to give you an idea of whether or not you're putting enough money aside for capital reserves and if the answer to that is no, that is usually where

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communities allocate that savings to make sure you're adequately funding that, and if the answer is yes, then you're looking at wish list type items.

D. Operations Manager – Memorandum

Mr. Soriano stated there is not much going on this month. Generally, I like to wait until the end of January or first week or so of February to do the Polar Plunge and that is usually done at your sister district. We have tried to do that at the pools here and we just don't get the same turnout. On the report I have a note for a special resident request for the vendor fair, but this will be at your sister district in the parking lots by the soccer field. If you recall, the lady that does the vendor fair always asks to do hold one on your side in the fall. She did the last one the same day as Halloween and did a trunk or treat activity with it. She asked them for Easter so I will be bringing this to them this afternoon and then she will be back to you guys in the fall. I'll pass around a tentative schedule for the whole year. I don't put all of this on the calendar yet until we finalize everything, and I usually don't put the movies on there until we pay for the license.

Vice Chairman Swartz asked what do those licenses cost?

Mr. Soriano responded it depends on the movie. A Disney movie can cost as much as \$350-\$500. Most of the ones that I purchase will be about \$250-\$300.

Mr. Soriano continued with his report. Each month we have an event with some things at your district and some things at your sister district. The only thing I want to point out is Cocoa with Claus. Our Santa Claus has promised me he would be good for this year, but you never know what is coming up. Our world is a little different these days but people have figured out how to do these events and I would like to get back to putting on that Christmas event so that is on there. That is one I will pay attention to as we get closer.

The pools are now covered. We still have the heaters on, but they get turned down low to save you guys money so we're now heating and utilizing that pool for 10 months out of the year instead of 12. We have four or five people that use it on a regular basis, and when I saw regular basis that is being generous. The one that uses it the most uses it twice or maybe three times a week. Some of the others use it two or three times a month. I let it go all the way until this weekend and after closing it told them they could show up at this meeting if they really want to voice their opinion. I had two gentleman that were really upset. They do come swim once or twice throughout the month when it's good weather. I thought it would be best to stick with it.

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The month of November hit us really cold and then warmed back up. We've had some days that were almost like summer, but I think if we go back and forth, the residents don't know what is going on and just expect it to be open all year. I've told them we're going to stick to the ten-month schedule, and it opens back up in March. I just wanted to go through that with you guys in case we start hearing any more complaints, even from the people that don't come down and swim.

Our rentals are picking up a little bit. Between now and Spring Break we have 14 rentals already booked for weddings in this room so we're getting back to normal. The only problem I have had is I've had two events ask to be rescheduled due to sicknesses in the family. We've allowed them to reschedule. It does create a problem. I had one that was trying to reschedule for a second time. They end up taking away from somebody else, so I did charge them half of their deposit, just as if somebody canceled last minute. We explained to them it's because now we can't book out that room a week from now. We understand, but we only have so many weekends we can do that, and it takes away from positive revenue that goes into other parts of our budget. Somebody else could've wanted that room for that weekend. We can't constantly do that, so we've now had two events where we've had to work with them.

Chairman Steiner asked are we alerting those people at the time they book the rental of that clause so we're not just surprising them at the end?

Mr. Soriano responded that has always been the case, so we go over that in depth. When it comes to situations with COVID, we're not sitting down and telling them what we've seen from somebody else, but it's becoming more prevalent. I'm giving them half and I tell them if they cancel the next one, it's going to be the full amount. Our policy says if they cancel within two weeks, we keep that whole thing, which in some cases can be \$1,000. We can't continue to do that for everybody.

Vice Chairman Swartz stated I believe that was part of the rule before COVID.

Mr. Soriano stated we know there's a bigger issue out there, but we've decided we're going to open this up and operate like we normally do. We had a year where we had almost \$90,000 in revenue and we're at a third of that right now, so we need to get back up to that.

Mr. Soriano continued with his report. I have two items under operations, and one is just a quick update. There's not much I could do with the promenade lighting this past month. We did talk about setting dates for them; however, this was over the holidays and I couldn't even get

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my electrician to come out and look at the two areas that we're going to disconnect. I do want to give everybody an idea of what it might cost them and even give them an option. If you remember, I said I'll get my electrician to do it at that rate if they just want to pay us to do it if they don't have their own. I'm not even sure if the Preserves have finalized their new board yet, but I know they were changing over.

Chairman Steiner stated it's been finalized, and they are cognizant.

Mr. Soriano stated as long as both of them have finalized their boards, their boards can deal with that this month and if I can get them a rate and that helps them to say you take care of it and we will pay you and we will be separate now, but I couldn't get my electrician out over the holidays so I can't get you a new cost for that. The other item is for HVAC repairs. We had our A/C guy out between Christmas and New Years because we lost our other large A/C unit for this room. This area that we sit in is controlled by one giant 10-ton unit and that is the one we replaced this last year. We will have to replace the old one now. My suggestion after looking at the two bills we did, we replaced the indoor air handler unit in 2019 and then in 2020 we voted on replacing the outdoor unit. They were \$10,000 a piece. The labor on it was doubled because we did it separately, but we were hoping it would last a little longer to save us money. Looking at the capital plan, both units would have been replaced by 2020 and both units should have been about \$17,000, so we did pretty well, and we made it a little longer on this other unit. I haven't gotten a quote on it, but estimating based on those two bills we paid, I need at least \$20,000 to replace this unit.

Mr. Hartigan asked and that's inside and outside, right?

Mr. Soriano responded yes. I'd rather not do what we did last time because it did end up costing us a little bit more. That will come out of the capital reserves.

On MOTION by Vice Chairman Swartz seconded by Chairman Steiner with all in favor replacing the HVAC system at an amount not to exceed \$20,000 was approved.
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Mr. Hartigan stated I was reading about a tree in the tennis courts or something in your report?

Mr. Soriano responded they didn't come out either. We're going to remove the tree that has been struck by lightning three times.

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Vice Chairman Swartz asked is it still alive?

Mr. Soriano responded it is. When you walk down the tennis walkway, you'll see the one I'm talking about. It was struck during swim practice the first time. I use that tree a lot of times when we have families that like to argue when we have thunder, and the lifeguards are kicking them out of the pool to point out to them why. This place gets struck a lot and that tree in particular has been struck three times. It's gotten to the point that we've trimmed everything down that has died on it and now it's just a skinny, ugly tree that looks a little dangerous, so we are going to remove that whole area and relandscape. The tree itself may be only about \$2,000 to remove, but the landscaping to fill that big void will be a little more expensive so when they finalize that I will bring it to you.

Mr. Spellman asked is there equipment when you plan for it's lifespan and you say I'm going to replace it in ten years, that gets replaced whether it's broken or not?

Mr. Soriano responded no. That's one way we've helped to keep that bank account full. When we go through the study the next time that helps offset that and we should be even better off. I would say the things that are not planned for are going to hit the most. So, we're going to have \$175,000 not to exceed for that fencing. I'm going to be way under that because I just got an updated quote from a company that can do it faster and that was one of the requests was how quickly could we do it and they are about \$9,000 cheaper than Armstrong, but whatever I end up being at wasn't planned at all and not only was that cost not planned on, but then we add that ongoing maintenance. So, we will see a couple thousand dollars added in per year for replacing vandalized panels, broken doors or gates. Whenever we add on new facilities, that makes a difference.

Mr. Hartigan stated speaking of doors. We talked about fencing going around and having a fenced area underneath us. What about the back entrance?

Mr. Soriano responded those gates are going to be completely locked, but there will be gates there. We talked about using them just for things like special events. We will have card readers on them. The rest of the time it's going to close down completely, and you will enter and exit from down here. We talked about how we're going to get complaints because we're going to put a sign on there saying you have to walk all the way around to check in. Eventually that will be norm for residents, but it will take a little while.

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SEVENTH ORDER OF BUSINESS

**Audience Comments / Supervisors’
Requests**

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting

Ms. Giles stated the next scheduled meeting is February 14th at 2:00 p.m. here at the Plantation Oaks Amenity Center.

NINTH ORDER OF BUSINESS

Adjournment

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

DocuSigned by:
Manlee Giles
3B3269E1043B434
Secretary/Assistant Secretary

DocuSigned by:
Michael Steiner
836D67062CED44D...
Chairman/Vice Chairman