



Seat 1 - Bryan Lifsey, Chairman
Seat 2 - James Cipollone, Supervisor
Seat 3 - Vacant
Seat 4 - Bill Schikora, Vice Chairman
Seat 5 - Bart Zoellner, Supervisor

Monthly Board Meetings are held at:

District Office Board Room

984 Old Mill Run The Villages, FL 32162

The Villages, Florida 32162

AGENDA

February 8, 2019

9:30 AM

Notice to Public: Audience Comments on all issues will be received by the Board.

1. Call to Order
 - A. Roll Call
 - B. Pledge of Allegiance
 - C. Observation of Moment of Silence
 - D. Welcome Meeting Attendees
 - E. Audience Comments

NEW BUSINESS:

2. Interview of Applicants to fill Vacant Seat 3
Applicants in Alphabetical Order:
Richard Benson
Barry Evans
Candace Ginns
Tim Swiers
3. Approval of the Minutes
Approval of the Minutes for the Meeting held on January 11, 2019.
4. Acceptance of Audit Report for Fiscal Year 2017-2018
The annual audit of the financial statements for the Village Community Development District No. 2 for the Fiscal Year ending September 30, 2018, is complete and a copy is attached.
5. Approval of FY 19-20 Budget Calendar
Request Board approval of dates for a Budget Workshop on May 20, 2019, approval of the Proposed Budget at the June 14, 2019 regular meeting and a Public Hearing to adopt the Final Budget at the September 13, 2019 regular meeting.
6. Architectural Review Manual
Proposed revisions to the Architectural Review Manual (Manual).
7. Operating Policies and Procedures
Overview to be provided at meeting. Draft Rule Amendment Attached.
8. Award of BID #19B-002 Multi Modal Path Tunnel Guide Sign Project

Review and approval of recommendation to award Invitation to Bid (ITB) #19B-002 Multi-Modal Path Tunnel Guide Sign Projects: Districts 1, 2, 3, 4, VCCDD & SLCDD and as needed in Various Districts

OLD BUSINESS:

9. Old Business Status Update
Old Business Status Update - February 8, 2019

PUBLIC HEARINGS:

10. Case No. D2-03-19 VCDD No. 2 vs. Specialized Loan Servicing, 2555 Caribe Drive
Support documentation for the Public Hearing can be obtained from the District Clerk's Office
 - A. Staff Presentation of the Facts
 - B. Open Public Hearing
 - C. Owner/Interested Party Presentation
 - D. Close Public Hearing
 - E. Board Discussion/Determination

INFORMATIONAL ITEMS ONLY:

11. Financial Statements
Budget to Actual Statements as of December 31, 2018
12. DPM Monthly Report

REPORTS AND INPUT:

13. District Manager Reports
 - A. Recognition of Service
 - B. AAC After Agenda
14. District Counsel Reports
15. Supervisor Comments
 - A. Vice Chairman Schikora: Q&A Overview
16. Adjourn

HOSPITALITY * STEWARDSHIP * CREATIVITY * HARD WORK

NOTICE

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based. Audio recordings of Board meetings, workshops or public hearings are available for purchase per Florida Statute 119.07 through the District Clerk for \$1.00 per CD requested. Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (352) 751-3939 at least five calendar days prior to the meeting.

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: District Staff

DATE: 2/8/2019

SUBJECT: Interview of Applicants to fill Vacant Seat 3

ISSUE:

Applicants in Alphabetical Order:

Richard Benson

Barry Evans

Candace Ginns

Tim Swiers

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
▣ R. Benson Application	Cover Memo
▣ B. Evans Application	Cover Memo
▣ C. Ginns Application	Cover Memo
▣ T. Swiers Application	Cover Memo

APPLICATION FOR APPOINTMENT TO DISTRICT 2 BOARD OF SUPERVISORS

PLEASE PRINT OR TYPE

APPLICANT NAME: RICHARD BENSON E-MAIL: REBBENSON@AOL.COM
 ADDRESS: 2119 GERARDO AVE PHONE # (352) 874-0179
 CITY: THE VILLAGES ZIP CODE: 32159 CELL/BUSINESS# (352) 874-0179
 OCCUPATION: RETIRED PREVIOUS OCCUPATION: AIR FORCE POLICY ANALYST
 HOW LONG HAVE YOU LIVED IN THE VILLAGES? 1 YEAR (OWNED HOUSE SINCE 03/2013)

REFERENCES: (PLEASE DO NOT USE CDD BOARD MEMBERS)

NAME	ADDRESS	PHONE
1) <u>WARREN KIEFER</u>	<u>2102 GERARDO AVE THE VILLAGES 32159</u>	<u>(352) 993-3771</u>
2) <u>BILL PEGL</u>	<u>2105 ZARAGOZA PL THE VILLAGES 32159</u>	<u>(352) 459-2641</u>
3) <u>DUTCH MILLER</u>	<u>6337 WILDERNESS PARK DR MACKINAW CITY, MI 49701</u>	<u>(231) 445-2435</u>

PLEASE ADD ADDITIONAL SHEETS AS NECESSARY

HAVE YOU ATTENDED THE COMMUNITY DEVELOPMENT DISTRICT ORIENTATION SEMINAR? YES, BOTH AS RESIDENT INITIATIVE TEAM AS EMPLOYEE (CURRENTLY A GOLF AMBASSADOR AT TIERRA DEL SOL COUNTRY CLUB)

WHAT PRESENT/PREVIOUS WORK EXPERIENCE DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES? SEE MY RESUME (ATTACHED). MY VOLUNTEER COMMUNITY SERVICE IN STAFFORD COUNTY ALONG WITH MY AIR FORCE CIVILIAN AND MILITARY EXPERIENCE ALONG WITH CONTRACTOR EXPERIENCE PROVIDE OUTSTANDING BACKGROUND AND LEVERAGE TO SUPPORTING BOS RESPONSIBILITIES

WHAT PRESENT/PREVIOUS VOLUNTEER EXPERIENCES DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES? SEE MY RESUME (ATTACHED). MY STAFFORD COUNTY RELATED POSITIONS PROVIDED EXCELLENT COMMUNITY EXPERIENCE AND KNOWLEDGE AND OPERATIONS OF COUNTY AND BOS ACTIVITIES THAT RELATE WELL TO DISTRICT OPERATIONS AND DISTRICT BOS REQUIREMENTS

WHAT SPECIAL CONTRIBUTIONS DO YOU BELIEVE YOU CAN BRING TO DISTRICT 2? I WORK EXTREMELY WELL WITH PEOPLE, HAVE LEADERSHIP AND COLLABORATION AND ORGANIZATIONAL SKILLS THAT WOULD COMPLEMENT WELL WITH BOS RESPONSIBILITIES

WHY DO YOU WANT TO SERVE ON THE DISTRICT 2 BOARD? TO ASSIST IN CONTINUING TO MAKE OUR COMMUNITY THE OUTSTANDING PLACE TO LIVE THAT IT IS. TO REPRESENT THE HOMEOWNERS REGARDING THEIR CONCERNS AND INTERESTS FOR THE COMMUNITY

HAVE YOU ATTENDED ANY DISTRICT 2 BOARD MEETINGS? NOT TO DATE ... MAINLY DUE TO OTHER COMMITMENTS OR TIME IN VIRGINIA, ETC FOR FAMILY MATTERS

LIST GOVERNMENT BOARDS (OR COUNCILS) ON WHICH YOU HAVE PREVIOUSLY SERVED. RAPAHANNOCK AREA TRANSPORTATION AUTHORITY (FREDERICKSBURG, VA), PROVIDING INPUT ON TRANSPORTATION NEEDS IN THAT AREA OF VIRGINIA

PLEASE RETURN COMPLETED FORM NO LATER THAN Wednesday, January 30, 2019 at 5:00 p.m. TO THE DISTRICT OFFICE, ATTENTION: JENNIFER MCQUEARY, 984 OLD MILL RUN, THE VILLAGES, FLORIDA 32162. PLEASE CALL JENNIFER AT 751-3939 IF YOU HAVE ANY QUESTIONS REGARDING YOUR APPLICATION.

IMPORTANT LEGAL REQUIREMENTS FOR DISTRICT 2 BOARD OF SUPERVISORS

AS A MEMBER OF DISTRICT 2 BOARD OF SUPERVISORS, YOU WILL BE OBLIGATED TO FOLLOW ANY APPLICABLE LAWS REGARDING GOVERNMENT-IN-SUNSHINE, CODE OF ETHICS FOR PUBLIC OFFICERS AND PUBLIC RECORDS DISCLOSURE. TRAINING IN THESE AREAS WILL BE PROVIDED BY THE DISTRICT.

SIGN: Richard Benson

DATED: 1/27/2019

PRINT: RICHARD BENSON

RECEIVED BY CLERK: 1/28/2019 

RICHARD E. BENSON

2119 Gerardo Ave The Villages, FL 32159
(352) 874-0179; rebbenson@aol.com

Objective

Leverage my skills and expertise within organizations and activities that impact the community and lives of the people in The Villages.

Education

Masters of Art in Business, Webster University, St Louis, MO, 1985

Bachelor of Science in Aerospace Technology, Kent State University, Kent, OH, 1977

Community Experience

President, Stafford Area Soccer Association (2001-2008). Ran the Stafford County soccer program on behalf of the County. A 7-member board with over 3,000 youth athletes. Worked with county Parks and Recreation Department, county Board of Supervisors and Virginia state Delegates on various recreational program and field development issues.

President, Manors of Park Ridge Homeowners Association (2000-2016). A 7-member board that represented 268 homeowners. Responsible for Homeowners Association (HOA) operations to include, architectural issues, financial planning, common property maintenance, amenity requirements, legal issues, audits, HOA covenant and state law requirements, etc.

President & Vice President, Park Ridge Homeowners Association (2000-2016). A 9-member board that represented 1,180 homeowners. Responsible for overall HOA operations, same as listed above for the Manors section of Park Ridge HOA. Interfaced with Stafford County Board of Supervisors, Virginia state Delegates, Virginia Department of Transportation, Virginia Utility Regulatory Commission, etc. on various HOA related issues.

Work Experience

Senior Technical Advisor (2007-2018), Air Force, Pentagon, Washington, DC. Advised leadership on Air Force compliance with international arms control agreements. Helped negotiate international agreements and developed Air Force plans to implement and comply with the agreements. Helped lead a division of over 70 government (military and civilian) and contractor personnel. Interfaced with and helped resolve issues with Services (Navy and Army), Joint Staff, Defense, State Department and the National Security Staff.

Program & Project Manager (2001-2007), SAIC, Crystal City, VA. Managed a 75-person contract that provided arm control agreement and combatting weapons of mass destruction policy support to the Air Force. Worked directly with Scientific Applications International Corporation (SAIC) leadership and Air Force leadership on all aspects of contract support.

Air Force Officer (1978-2001). Various positions (Recruiting Squadron Commander, Legislative Programs, Treaties & Agreements Implementation, Space Program Plans & Requirements, and Missile Operations). Can provide details if needed.

Awards

Outstanding Career Civilian Service Award; Defense Meritorious Service Medal; Meritorious Service Medal; National Defense Service Medal; Air Force Commendation Medal

APPLICATION FOR APPOINTMENT TO DISTRICT 2 BOARD OF SUPERVISORS

PLEASE PRINT OR TYPE

APPLICANT NAME: BARRY R. EVANS E-MAIL: BG54EVANS@GMAIL.COM

ADDRESS: 1802 CAVAZOS CT PHONE # 352-571-4641

CITY: THE VILLAGES ZIP CODE: 32162 CELL/BUSINESS# 352-299-1358

OCCUPATION: RETIRED PREVIOUS OCCUPATION: CITY MANAGER

HOW LONG HAVE YOU LIVED IN THE VILLAGES? 18 yrs.

REFERENCES: (PLEASE DO NOT USE CDD BOARD MEMBERS)

	NAME	ADDRESS	PHONE
1)	GARY MCGAHVEY	959 IRON OAK WAY	352-259-8055
2)	ELLEN CORA	1805 DUBANG DR	352-750-0167
3)	BILLY LAYTON	2812 LARRANAGA DR	352-259-5282

PLEASE ADD ADDITIONAL SHEETS AS NECESSARY

HAVE YOU ATTENDED THE COMMUNITY DEVELOPMENT DISTRICT ORIENTATION SEMINAR?

MANY YEARS AGO

WHAT PRESENT/PREVIOUS WORK EXPERIENCE DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

42 YEARS AS A CITY OR COUNTY MANAGER INVOLVING ALL ASPECTS OF MUNICIPAL GOVT.

WHAT PRESENT/PREVIOUS VOLUNTEER EXPERIENCES DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

SERVED AS VHA REP. FOR 12 YRS. ALSO SERVED ON VHA BOARD OF DIRECTORS

WHAT SPECIAL CONTRIBUTIONS DO YOU BELIEVE YOU CAN BRING TO DISTRICT 2?

MY CITY MANAGEMENT BACKGROUND SHOULD FIT IN NICELY WITH CDD RESPONSIBILITIES

WHY DO YOU WANT TO SERVE ON THE DISTRICT 2 BOARD?

FOR SAME REASON I BECAME A CITY MANAGER - PUBLIC SERVICE, ALSO WHY I SERVED ON SECO ENERGY FOR 8 YRS.

HAVE YOU ATTENDED ANY DISTRICT 2 BOARD MEETINGS?

SOME A NUMBER OF YEARS AGO

LIST GOVERNMENT BOARDS (OR COUNCILS) ON WHICH YOU HAVE PREVIOUSLY SERVED.

I HAVE BEEN ON PLANNING COMMISSIONS, RECREATION COMMITTEES SEWER AUTHORITIES ETC IN MANY COMMUNITIES

PLEASE RETURN COMPLETED FORM NO LATER THAN **Wednesday, January 30, 2019 at 5:00 p.m.** TO THE DISTRICT OFFICE, ATTENTION: JENNIFER MCQUEARY, 984 OLD MILL RUN, THE VILLAGES, FLORIDA 32162. PLEASE CALL JENNIFER AT 751-3939 IF YOU HAVE ANY QUESTIONS REGARDING YOUR APPLICATION.

IMPORTANT LEGAL REQUIREMENTS FOR DISTRICT 2 BOARD OF SUPERVISORS

AS A MEMBER OF DISTRICT 2 BOARD OF SUPERVISORS, YOU WILL BE OBLIGATED TO FOLLOW ANY APPLICABLE LAWS REGARDING GOVERNMENT-IN-SUNSHINE, CODE OF ETHICS FOR PUBLIC OFFICERS AND PUBLIC RECORDS DISCLOSURE. TRAINING IN THESE AREAS WILL BE PROVIDED BY THE DISTRICT.

SIGN: Barry R Evans DATED: 1-16-19

PRINT: BARRY R EVANS RECEIVED BY CLERK: 1/17/19

APPLICATION FOR APPOINTMENT TO DISTRICT 2 BOARD OF SUPERVISORS

PLEASE PRINT OR TYPE

APPLICANT NAME: Candace Ginns E-MAIL: Cginns@aol.com
ADDRESS: 1901 Diaz Lane PHONE # 352-633-2249
CITY: The Villages, ZIP CODE: 32159 CELL/BUSINESS# 978-790-1347-Cell
OCCUPATION: Retired PREVIOUS OCCUPATION: Registered Nurse
HOW LONG HAVE YOU LIVED IN THE VILLAGES? 7.5 years

REFERENCES: (PLEASE DO NOT USE CDD BOARD MEMBERS)

NAME	ADDRESS	PHONE
1) <u>Sheila Gillikin</u>	<u>7750 E. Misty Lane Inverness, FL 34450</u>	<u>352-464-2002</u>
2) <u>Roger Myers</u>	<u>2413 Wilson Way The Villages, FL 32162</u>	<u>352-321-6259</u>
3) <u>Kathy Herrick</u>	<u>1804 Dalton Dr. The Villages, FL 32162</u>	<u>352-751-1249</u>

PLEASE ADD ADDITIONAL SHEETS AS NECESSARY

HAVE YOU ATTENDED THE COMMUNITY DEVELOPMENT DISTRICT ORIENTATION SEMINAR?

Not yet but I am planning on attending February 7, 2019.

WHAT PRESENT/PREVIOUS WORK EXPERIENCE DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

In my various nursing management positions, I learned to see the bigger picture for the department or facility which I was responsible for leading. My years as a nurse have been spent showing compassion & caring for patients & families. I would show this same caring to residents of the district.

WHAT PRESENT/PREVIOUS VOLUNTEER EXPERIENCES DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

I currently serve as Recording Secretary of the Auxiliary Foundation Executive Committee of The Villages Regional Hospital as well as the Foundation Corporate Board. I serve as the chairperson of the Auxiliary Day Captains office. The Day Captain serves as the resource person for the other volunteers on the shift.

WHAT SPECIAL CONTRIBUTIONS DO YOU BELIEVE YOU CAN BRING TO DISTRICT 2?

Strong organizational and communication skills

WHY DO YOU WANT TO SERVE ON THE DISTRICT 2 BOARD?

I would like the opportunity to learn more about our district government and how it works. I know I could learn a great deal from the experienced Supervisors and serve my fellow district 2 residents.

HAVE YOU ATTENDED ANY DISTRICT 2 BOARD MEETINGS?

Yes

LIST GOVERNMENT BOARDS (OR COUNCILS) ON WHICH YOU HAVE PREVIOUSLY SERVED.

I have not had the opportunity to serve on any boards or councils in the past.

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SIGN: Candace Ginns DATED: January 17, 2019

PRINT: _____ RECEIVED BY CLERK: [Signature]

APPLICATION FOR APPOINTMENT TO DISTRICT 2 BOARD OF SUPERVISORS

PLEASE PRINT OR TYPE

APPLICANT NAME: THOMAS L. SWIERS E-MAIL: TOM@SWIERS.COM

ADDRESS: 1403 ARREDONDO DR. PHONE # (352) 633-2333

CITY: THE VILLAGES ZIP CODE: 32162 CELL/BUSINESS# (847) 951-2230

OCCUPATION: RETIRED / INVESTMENT BANKER PREVIOUS OCCUPATION: CPA - BUSINESS OWNER

HOW LONG HAVE YOU LIVED IN THE VILLAGES? 6 YEARS, 6 MONTH

REFERENCES: (PLEASE DO NOT USE CDD BOARD MEMBERS)

	NAME	ADDRESS	PHONE
1)	MIKE ROEMER	521 LITTLE RIVER PATH, THE VILLAGES, FL 32162	(352) 633-0134
2)	JANICE MCNITT	2506 PONCE PL., THE VILLAGES, FL 32162	(847) 309-6734
3)	RICHARD STROKE	3073 MAYWOOD COURT, THE VILLAGES, FL 32162	(352) 751-0083

PLEASE ADD ADDITIONAL SHEETS AS NECESSARY -
WWW.SUMMIT-ORG.COM

HAVE YOU ATTENDED THE COMMUNITY DEVELOPMENT DISTRICT ORIENTATION SEMINAR?

YES

WHAT PRESENT/PREVIOUS WORK EXPERIENCE DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

- CPA - AUDIT PARTNER WITH KPMG (INTERNATIONAL ACCOUNTING FIRM)
- OWNER - OPERATOR OF THREE MANUFACTURING COMPANIES
- INVESTMENT BANKER - TURNAROUND & CRISIS MANAGEMENT PROFESSIONAL

WHAT PRESENT/PREVIOUS VOLUNTEER EXPERIENCES DO YOU HAVE WHICH RELATES TO DISTRICT 2 RESPONSIBILITIES?

- CURRENT MEMBER (ALTERNATE) - ARC, REPRESENTING CDD #2 - 4 1/2 YEARS
- ZONING BOARD - VILLAGE OF KILGORE, IL - 21 YEARS
- VARIOUS OTHER VOLUNTEER ACTIVITIES (HOMEOWNERS ASSN.; UNITED WAY)

WHAT SPECIAL CONTRIBUTIONS DO YOU BELIEVE YOU CAN BRING TO DISTRICT 2?

FINANCIAL MANAGEMENT

WHY DO YOU WANT TO SERVE ON THE DISTRICT 2 BOARD?

DESIRE TO SERVE MY COMMUNITY AS IS EVIDENCED BY MY PRIOR / CURRENT VOLUNTEER ACTIVITIES

HAVE YOU ATTENDED ANY DISTRICT 2 BOARD MEETINGS?

INFREQUENT

LIST GOVERNMENT BOARDS (OR COUNCILS) ON WHICH YOU HAVE PREVIOUSLY SERVED.

ARC - THE VILLAGES

ZONING BOARD OF APPEALS - VILLAGE OF KILGORE, IL

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IMPORTANT LEGAL REQUIREMENTS FOR DISTRICT 2 BOARD OF SUPERVISORS

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SIGN: Thomas L. Swiers DATED: 1/30/19

PRINT: THOMAS L. SWIERS RECEIVED BY CLERK: 1/30/19 

THOMAS L. SWIERS, CPA

PROFESSIONAL EXPERIENCE

THE SUMMIT ORGANIZATION, LLC, The Villages, FL – 1992 to present

The Summit Organization, LLC ("Summit") was formed by Thomas L. "Tom" Swiers during 1992 to provide the following services:

- a) Financial and operational consulting services to owners of growing, profitable lower middle market companies who are in need of assistance as a result of their changing business.
- b) Crisis and turnaround management services to companies in moderate to severe financial difficulty, including companies in bankruptcy. Engagements often result in Mr. Swiers assuming operational control as an interim COO or CFO and quickly returning the companies to profitability.
- c) Assignee services to companies being operated under an assignment for the benefit of creditors.
- d) Merger & acquisition and corporate finance services.

Mr. Swiers draws heavily on his experience as a entrepreneur and company owner as well as a strong financial background. His industry experience is extremely broad and includes, among others, consumer products manufacturing (apparel, sporting goods, household products and tools), capital equipment manufacturing (conveyor systems and manufacturing equipment), specialty food manufacturing, printing, specialty machining (fluid power and nuclear reactor components), distribution, specialty retailing, professional services and electronics manufacturing. Mr. Swiers has been involved with operations in various locations in the western hemisphere.

Summit has worked on numerous engagements since 1992, either directly or through another organization where Summit has been a part owner or has acted as an independent contractor. These organizations include:

Sikich, Investment Banking Division, Aurora, IL – 2002 to 2008

Senior Managing Director – As an independent contractor, Summit, through Mr. Swiers, was in charge of all Merger & Acquisition Sell-Side Transactions for clients with annual cash flow generally less than \$1 million. Mr. Swiers was responsible for securing and directing all of his clients assignments.

The Landhouse Group, LLC, Chicago, IL – 2001 to 2002

Managing Director – As an owner of this firm specializing in Turnaround & Crisis Management Consulting and Merger & Acquisition Transactions, Summit secured and directed various turnaround assignments for companies in severe financial distress and M&A transactions for businesses in financial difficulty.

Arjuna Ventures, LLC, Barrington, IL – 1998 to 2001

Managing Director – As an owner of this firm specializing in Merger & Acquisition and Corporate Finance transactions, Summit secured and directed numerous sell, buy and financing transactions for business owners and lower middle market companies.

Corcoran Partners VRS, LLP, Chicago, IL – 1994 to 1998

Managing Director - As an owner of this firm specializing in Turnaround & Crisis Management Consulting, Summit secured and directed various turnaround assignments for companies in severe financial distress.

Precision Defense Services, Inc., Irwin, PA – 1996 to 1999

CFO - During March 1996 Summit assembled a team that acquired Precision Defense Services, Inc. As a 25% owner, Summit, through Mr. Swiers, functioned as CFO and a member of the Board of Directors. Summit sold its equity interest in this company to its partners during October 1999.

UNICORN CREATIONS CORPORATION, Arlington Hgts., IL – 1991 to 1992

Owner, President & CEO -- Acquired out of bankruptcy a domestic manufacturer of infant sleepwear and playwear with annual sales to all major U.S. mass merchants and discounters approaching \$10 million. Converted the company to an off-shore manufacturer with significant operations located in Haiti, Costa Rica and Dominican Republic. Responsible for all aspects of company operations. Company liquidated during 1992 as a direct result of a coup d'etat in Haiti during September 1991.

SEITZ MFG. CO., INC., Milwaukee, WI - 1986 to 1990

Owner, President & Chief Operating Officer -- Purchased company in January, 1986. Directed all manufacturing, materials management, financial and administrative functions of this OEM manufacturer of hydraulic cylinders, accumulators, ride struts and other machined fluid power components used on construction and mining equipment. Assisted in building annual sales from \$4 to \$13 million. Sold ownership interest to partner during 1990.

KPMG (formerly Peat Marwick Mitchell & Co), Chicago, IL - 1978 to 1986

Audit Partner -- Provided a broad range of professional services to owner-managed businesses, including audit, tax and operational consulting. Established the firm's Schaumburg, IL office and served as Partner-in-Charge of the office's Private Business Advisory Services practice.

FENWICK, Westminster, CA - 1976 to 1978

Vice President - Finance and Administration -- Directed all financial, data processing and administrative activities for this multi-plant manufacturer of fishing rods and related equipment.

LOGICON, INC., Torrance, CA - 1974 to 1976

Corporate Controller -- Directed all accounting and reporting activities for this NYSE listed defense contractor. Responsibilities included overhead rate negotiations and approvals with the Defense Contract Audit Agency.

SIMMONS INTERNATIONAL, INC., Torrance, CA - 1973 to 1974

Vice President - Finance & Operations -- Directed all financial and operations activities for this rapidly growing manufacturer of golf clubs, including international sales and procurement and supervision at the executive level of a 200+ employee workforce.

ARTHUR ANDERSEN & CO., Los Angeles, CA - 1964 to 1973

Audit Senior Manager -- Engagement manager in the office's Small Business Division. Providing audit, tax and consulting services to owner-managed and publicly traded companies. Instructed at numerous firm training schools.

PROFESSIONAL AFFILIATIONS

- Certified Public Accountant – Illinois and California
- Illinois Society of Certified Public Accountants

CIVIC ACTIVITIES

- Village of Kildeer, IL - Zoning Board of Appeals – 1981 to 2003
- United Way of Elk Grove Village – President - 1985 to 1987
- United Way of Elk Grove Village - Board Member - 1981 to 1988
- Sonoma Condominium Association – President & Board Member – 2005 to 2010
- The Villages, FL - Architectural Review Committee Member – 2014 to present

EDUCATION

San Diego State University, San Diego, California
Bachelor of Science in Accounting

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Jennifer McQueary, District Clerk

DATE: 2/8/2019

SUBJECT: **Approval of the Minutes**

ISSUE: Approval of the Minutes for the Meeting held on January 11, 2019.

ANALYSIS/INFORMATION: Staff requests approval of the Minutes for the Meeting held on January 11, 2019.

STAFF RECOMMENDATION: Staff recommends approval of the Minutes for the Meeting held on January 11, 2019.

MOTION: Motion to approve the Minutes for the Meeting held on January 11, 2019.

ATTACHMENTS:

Description	Type
1-11-19 Minutes	Cover Memo

**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT NO. 2**

A Meeting of the Board of Supervisors of Village Community Development District No. 2 was held on Friday, January 11, 2019 at 9:30 a.m. at the District Office Board Room, 984 Old Mill Run, The Villages, Florida, 32162.

Board members present and constituting a quorum:

Bryan Lifsey	Chairman
Bill Schikora	Vice Chairman
Bart Zoellner	Supervisor

Staff Present:

Richard Baier	District Manager
Kenny Blocker	Assistant District Manager
Valerie Fuchs	District Counsel
Sam Wartinbee	District Property Management Director
Barbara Kays	Budget Director
Anne Hochsprung	Finance Director
Brittany Wilson	Director, Technology and Board Services
Carrie Duckett	Director, Resident Services and Communication
Jennifer McQueary	District Clerk
Candice Harris	Deputy District Clerk
Julie Kulas	Administrative Assistant

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Lifsey called the meeting to order at 9:30 a.m. and stated for the record that three (3) Supervisors were present representing a quorum. Jim Cipollone was absent.

Chairman Lifsey advised those in attendance that Supervisor John Blum had recently passed away. Vice Chairman Lifsey, Supervisor Zoellner and Supervisor Schikora each offered kind words about Mr. Blum and his service to the community and the residents of District 2.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

C. Observation of Moment of Silence

The Board observed a moment of silence for Vice Chairman Blum who recently passed away.

D. Welcome Meeting Attendees

The Board welcomed all those in attendance at the Village Community Development District (VCDD) No. 2 Board Meeting.

E. Audience Comments

There were no audience comments

SECOND ORDER OF BUSINESS: Approval of the Minutes

On MOTION by Bill Schikora, seconded by Bart Zoellner, with all in favor, the Board approved the Minutes from the Board Meeting held on December 14, 2018.

THIRD ORDER OF BUSINESS: Architectural Review Manual

Carrie Duckett, Director of Resident Services & Communication, advised that during the September 2018 meetings Staff advised the Boards that a review of the existing Architectural Review Committee (ARC) process was occurring to identify improvements. As part of this review, consideration of what a “substantial change” is has occurred and research was completed to determine what revisions could be made to the Manual to eliminate certain minor modifications. Ms. Duckett provided an overview of the improvements that have been made to streamline the ARC process which has resulted in increased ease of understanding for the residents and positive feedback from the ARC Members, and has reduced the time for the weekly meetings.

Candy Dennis, Community Standards Manager, advised the proposed revisions to the Architectural Review Manual have been provided in a strike out, underlined format and a review of the recommended revisions to Section 2.5 Driveways, Walkways, Patios, Front Entry Flooring; 2.9 Front Doors; Section 2.10 Garage Doors/Screens; Section 2.12 Lights – Outdoor and Section 2.16 Tree Removal with the Committee. Staff is requesting that the Committee Members review the revisions

and provide any comment to Staff by January 21, 2019 so that the changes can be incorporated and the final document presented at the February 6, 2019. Ms. Dennis advised that Staff had received several comments from Chairman Lifsey and has provided the Board with a copy of those comments and Staff's response. Staff responded to additional Board inquiries and following discussion, Staff advised that the suggested revisions provided would be included in the Architectural Review Manual presented to the Board at the February 8, 2019 meeting.

FOURTH ORDER OF BUSINESS: Award of BID #19B-002 Multi-Modal Path Tunnel Guide Sign Project

Mr. Baier requested that this item be pulled from the agenda. Staff will bring this item back to the Board at the February 8, 2019 meeting.

On MOTION by Bill Schikora, seconded by Bart Zoellner, with all in favor, the Board tabled Award of BID #19B-002 Multi-Modal Path Tunnel Guide Sign Project to the February 11, 2019 meeting.
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FIFTH ORDER OF BUSINESS: Old Business Status Update

Staff provided an update on the following Old Business Status Update items:

- Lago De Leon: Sam Wartinbee, District Property Management (DPM) Director, advised that following concerns received, Staff has investigated and re-investigated the Water Retention Area (WRA) and has found a small void in the area near where the previous grout work occurred. Staff contacted Andreyev Engineering who completed an investigation and determined that excavation would have to be completed because the void was within five (5) feet of one of the prior grout points. Staff anticipates that the contractor will complete the necessary excavation the week of January 14, 2019. A temporary plug will be installed until grout can be installed at two (2) or three (3) more points and it is anticipated that the repair will be completed in two (2) to three (3) weeks.

Belinda Sweed advised that her home backs up to the Lago De Leon and expressed concern that a more in-depth engineering review of the WRA was not completed. Richard Baier, District Manager,

clarified that the repair that was completed was based on the engineering recommendation provided by Scott Barfield, the District's Engineer. Ms. Sweed stated that she is concerned about the home next to her property that remains a safety concern because depressions exist on the property and is unkempt. Mr. Baier stated that the issues pertaining to the private property would have to be addressed with Sumter County which is the governing authority that would provide approval for repairs to that home. Following discussion, Staff advised that they will provide the resident with the appropriate contact information for Sumter County.

- FEMA Update: Mr. Baier advised that the District has begun receiving a second round of requests for information relating to the request for reimbursement submitted with Federal Emergency Management Agency (FEMA) for expenditures relating to debris cleanup following Hurricane Irma, which Staff and the Districts' Consultants are responding to, and are providing the necessary clarification of authorities and operations of the Village Community Development Districts. An overview of the claims submitted for the District, the anticipated reimbursement to be received and the actual reimbursements have been provided as information.
- Provide date for repaving of villa units in Alhambra: Mr. Wartinbee stated that the repaving is scheduled to begin the second or third week in March of 2019.
- Relocation of fountain in Santiago Pond: The relocation of the fountain will occur during the week of January 14, 2019.

Chairman Lifsey stated that Staff had advised that an Interlocal Agreement with Sumter County would be brought to the Board in the upcoming months and suggested that the item be included on the Old Business Status Update. Mr. Baier advised that Staff will be presenting the information about the Interlocal Agreement to the Board at the February 8, 2019 meeting.

Chairman Lifsey inquired if a date had been identified for the joint workshop between the Amenity Authority Committee (AAC) and the Project Wide Advisory Committee (PWAC) to discuss the amenity fee deferral rate. Mr. Baier stated that it is anticipated that the date of the joint workshop will be Wednesday, March 20, 2019 at 9:00 a.m. Mr. Baier responded to the Board's inquiries and advised that additional status updates on this item will be provided as part of the AAC After Agenda.

SIXTH ORDER OF BUSINESS: Financial Statements

The Budget to Actual Statement as of November 30, 2018 was provided to the Board as information.

SEVENTH ORDER OF BUSINESS: DPM Monthly Update

The DPM Monthly Update was provided to the Board as information.

EIGHTH ORDER OF BUSINESS: Staff Reports

A. AAC Update

Ann Forrester, District 2 AAC Representative, advised that the After Agenda from the meeting held on January 9, 2019 has been provided as information and highlighted the following items addressed:

- As previously discussed, the AAC will hold a joint workshop with the PWAC on March 20, 2019.
- The AAC will hold a workshop to review upcoming capital projects on January 23, 2019 at 1:30 p.m. in the District Office. Two (2) of the main items to be discussed are the new recreation center in Marion County and the traffic configuration at Del Mar Gate.
- To address items that occur between meetings, the Committee will begin providing those items to Staff to be addressed when received, Staff will provide the information necessary so that a response can be provided to the appropriate party and if desired, an informational report can be included under “informational items” on the agenda.

B. FEMA Update

This item was previously addressed.

C. Future Technology Initiatives

Mr. Baier stated that as part of the reorganization of the District that occurred in July of 2018, District Management had provided an overview of the importance and the necessity to advance the Districts’ technology to more efficiently and effectively manage the infrastructure and its resources, and although not directly under the purview of this Board, Mr. Baier requested that Brittany Wilson,

Director of Technology and Board Support Services provide an overview of the Asset Management System and other technology advances.

Staff responded to the Board's inquiries.

D. Lago De Leon Update

This item was previously addressed.

NINTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

TENTH ORDER OF BUSINESS: Supervisor Comments

Chairman Lifsey stated that with the passing of Supervisor Blum the Board now needs to proceed with a process to fill the vacant seat. Following discussion, the Board chose to proceed with the application process to fill the vacant seat and requested that the interview process occur at the February 8, 2019 meeting.

Chairman Lifsey stated that Supervisor Blum was the District's Investment Advisory Committee (IAC) Representative and that position needs to be filled prior to the next IAC meeting which will be held on February 5, 2019.

Supervisor Schikora stated that he would represent the District on the IAC.

Supervisor Zoellner stated that there was previously an issue with golf carts driving along the WRA at El Camino and Morse Boulevard and a golf cart parking area was constructed to provide parking. Over the last several days there have been a few residents who have been driving their golf carts down to the WRA to walk their dogs and suggested that signage be installed requesting the golf carts park in the parking area provided. Mr. Baier stated that the District has no authority to enforce this type of signage and Staff would not recommend erecting signage that the District has no ability to enforce.

Chairman Forrester stated that this location falls under the purview of the AAC and the construction of the golf cart parking area has made a great improvement. Chairman Forrester stated that she can bring the suggestion to the AAC at the next meeting.

A. Vice Chairman Schikora: Consideration of Policy re: Reporting of Storm Drain Violations

Vice Chairman Schikora stated that it was brought to his attention that excess water from swimming pools have been pumped into the Santo Domingo WRA or directly into the roadway, which then flows into the storm drain, which are violations of the District's stormwater permit. Vice Chairman Schikora requested that Staff identify a policy that can be communicated to the residents and proactively addressed by Community Watch or DPM when these instances occur. Mr. Baier stated that a Standard Operating Procedure (SOP) can be created for Community Watch and DPM which will address violations under the District's National Pollutant Discharge Elimination System (NPDES) Permit. As information, all District contractors have been trained and are aware that no water can be discharged into the Districts' swales, stormwater pipe systems or WRA's, but additional training will be provided. Staff responded to Board inquiries.

B. Vice Chairman Schikora: Consideration of Policy re: Removal of Nuisance Alligators

Vice Chairman Schikora stated that there was a concern about a nuisance alligator in Lago Santo Domingo but there seemed to be no established policy of how the District addresses these instances. A concerned resident did receive a permit to hire a trapper, but following discussions with District Management, he was later advised that private residents do not have the authority to hire a trapper to trap alligators on District property. Vice Chairman Schikora requested that a policy be identified that can be communicated with the residents. Mr. Baier stated that following this occurrence, Staff has readdressed the SOP for Community Watch and DPM. Additionally, District Management will reiterate with the Fish and Wildlife Commission (FWC) that communication must be made with Mr. Wartinbee or three (3) other identified Staff Members, prior to a permit being issued for the taking of the nuisance alligator.

Chairman Lifsey stated that he received an invitation from a City Council Member from Jacksonville extending an invitation to the Board to attend an annual meeting that will be held on January 26, 2019 in The Villages. Mr. Baier stated that a courtesy invitation to attend the annual Citizens for Saving Florida meeting was sent to District Staff and all District Board Supervisors. District Staff will not be in attendance.

TWELFTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 11:19 a.m.

On MOTION by Bart Zoellner, seconded by Bill Schikora, with all in favor, the Board adjourned the meeting.

Richard J. Baier
Secretary

Bryan Lifsey
Chairman

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Anne Hochsprung, Finance Director

DATE: 2/8/2019

SUBJECT: **Acceptance of Audit Report for Fiscal Year 2017-2018**

ISSUE: The annual audit of the financial statements for the Village Community Development District No. 2 for the Fiscal Year ending September 30, 2018, is complete and a copy is attached.

ANALYSIS/INFORMATION: The financial statements need to be distributed to those entities that require submission. A representative of the audit firm of Purvis, Gray, and Company, LLP will present the financial statements to the Board for acceptance.

STAFF RECOMMENDATION:
Recommend the Board accept the Audit Report for Fiscal Year 2017 – 2018.

MOTION:
Motion to accept the Village Community Development District No. 2 Audit Report for Fiscal Year 2017 – 2018.

ATTACHMENTS:

Description	Type
❑ District 2 Audit Report	Cover Memo
❑ District 2 Auditor Letter	Cover Memo

The Villages®
Community Development Districts
District 2



VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Basic Financial Statements

September 30, 2018

(With Independent Auditors' Report Thereon)

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Table of Contents

	Page
Financial Section	
Independent Auditors' Report on the Financial Statements	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	15
Notes to Basic Financial Statements	16
Other Reports	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	32
Management Letter	34
Independent Accountants' Report	36
Management Response Letter	37

ON THE COVER

The cover photograph was submitted by Katie Evans, Customer Service Manager in the District Customer Service Center.

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Village Community Development District No. 2 (the District) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Certified Public Accountants

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Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2018, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



January 30, 2019
Ocala, Florida

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

The Village Community Development District No. 2 (the District) management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the District's financial activities; and (c) identify changes in the District's financial position and its ability to address the next and subsequent year challenges.

Financial Highlights

Entity-Wide Level

- The assets of the District exceeded its liabilities as of September 30, 2018, by \$10,956,360 (net position). Of this amount, \$1,521,849 of unrestricted net position may be used to meet the District's ongoing obligations to residents and creditors.
- The District's total net position decreased by \$498,936. This decrease in net position resulted primarily from depreciation expenses for all capital assets of \$376,775, which reflects the using up over time of the value of capital assets previously acquired, to allow for the planning of the timely replacement or renovation of these assets, when required. The annual decrease in net position resulting from depreciation expense reflects the need of the District in future years to increase its budgetary allocation to build new assets or repair or upgrade existing assets as the assets continue to age. In addition to depreciation expense, The District incurred \$96,485 in non-recurring repairs costs associated with the impact of Hurricane Irma.
- The District's total long-term debt decreased by \$210,000 during the current Fiscal Year. The decrease relates to principal payments made on outstanding revenue bonds during the year ended September 30, 2018. The 1996 District 2 bond was retired during Fiscal Year 2017.

Fund Level

- At the close of the Fiscal Year, the District's governmental funds reported combined fund balances of \$2,016,523, a net decrease of \$286,037. Of the total fund balance, \$529,684 is available for spending at the District's discretion as *unassigned fund balance*.
- At the end of the year, unassigned fund balance of the General Fund was \$529,684 or 38.4 percent of total General Fund annual expenditures, a healthy reserve for unexpected expenditures.
- Special assessments are shown as assessments receivable. At the fund level, there is an offsetting line item for unavailable revenue pertaining to assessments due in future years. Assessments receivable decreased by \$214,116 during the year and has a September 30, 2018, balance of \$205,257.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village Community Development District No. 2's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The **Statement of Net Position** presents information on all of the District's assets and deferred outflows compared to liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Village Community Development District No. 2 is improving or deteriorating.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

The **Statement of Activities** presents information showing how the government's net position changed during the most recent Fiscal Year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessments and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general government, capital projects, and debt service. The District has no business-type activities. The District also has no component units, as all functions are performed by the primary government.

The government-wide financial statements are provided on pages 9-10 of this report.

The Fund Financial Statements, which report by individual fund, begin on page 11. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village Community Development District No. 2, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds. There are no proprietary or fiduciary funds maintained by the District. The fund financial statements present information in more detail than the government-wide financial statements. Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the Fiscal Year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and Debt Service Fund, both of which are considered to be major funds. The remaining fund, the Capital Project Fund, is a non-major fund, and is separately presented as the only non-major fund.

The District adopts an annual appropriated budget for its General Fund and its Debt Service Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-15 of this report.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 16.

Government-wide Financial Analysis

The District's net position as of September 30, 2018 and 2017, were \$10.956 million and \$11.455 million, respectively, representing a decrease of approximately \$0.499 million. The District's revenues for the years ended September 30, 2018 and 2017 including donations, assessments, and investment earnings, were approximately \$1.119 million and \$1.014 million, respectively. The increase in revenue resulted primarily from increased special assessment revenue. The District's expenses for the years ended September 30, 2018 and 2017 were \$1.618 million and \$1.496 million, respectively.

Table 1 reflects the summary statement of net position for the current year and prior year.

Table 1

Net Position

		Governmental Activities	
		September 30, 2018	September 30, 2017
Assets:			
Current and other assets	\$	2,249,955	2,442,155
Assessments receivable		205,257	419,373
Capital assets - net		8,918,480	9,131,813
Total assets		11,373,692	11,993,341
Liabilities:			
Current and other liabilities		235,906	147,116
Due to other governments		1,426	929
Noncurrent liabilities:			
Due within one year		180,000	190,000
Due in more than one year		-	200,000
Total liabilities		417,332	538,045
Net position:			
Net investment in capital assets		8,738,480	8,741,883
Restricted for debt service		263,518	474,273
Restricted for capital improvements		432,513	432,512
Unrestricted		1,521,849	1,806,628
Total net position	\$	10,956,360	11,455,296

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

The largest share of the District's net position (79.8 percent) relates to investments in capital assets, less any related debt outstanding, used to acquire those capital assets. Reserves to pay debt service expenses represent another 2.4 percent. The resources required to repay the debt must be provided annually from assessments, since the capital assets themselves cannot be liquidated to pay the liabilities. Funds restricted for capital improvements represent 3.9 percent of the total net position with the remaining 13.9 percent unrestricted.

Table 2 below reflects the summary statement of changes in net position for the current year and prior year.

Table 2

Changes in Net Position

		Governmental Activities	
		September 30, 2018	September 30, 2017
Revenues:			
Special assessments	\$	1,015,991	901,138
Other revenues		55,372	63,668
Investment earnings		47,688	49,621
Total revenues		<u>1,119,051</u>	<u>1,014,427</u>
Expenses:			
General government		316,867	303,436
Physical environment		776,028	644,827
Transportation		132,977	146,040
Interest on long-term debt		15,340	28,658
Depreciation (unallocated)		376,775	372,961
Total expenses		<u>1,617,987</u>	<u>1,495,922</u>
Increase (decrease) in net position	\$	<u>(498,936)</u>	<u>(481,495)</u>

Revenues

Revenues include assessments on District landowners for maintenance and debt service. The assessments for debt service decreased during the fiscal year due to the continued pay off of the bond. Other revenue includes reimbursements from Sumter County for the District maintenance of county road right-of-ways. Investment earnings on cash balances held during the year make the final source of revenue to the District.

Further information can be found in Note 2 of the Notes to Basic Financial Statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

Expenses

General government expenses of the District increased \$13,431 compared to the prior year. Physical environment expenses are mainly for landscaping, irrigation, utilities, and maintenance costs and increased \$131,201 compared to the prior year, largely due to unplanned expenditures related to Hurricane Irma. Transportation expenses primarily relate to the cost of electric utilities for the District's street lights. These costs decreased \$13,063 from the prior year. Interest on the long-term debt is the amount of interest paid to bondholders pertaining to the District's revenue bonds. The interest expense decreased \$13,318 compared to the prior year. The interest on the long-term debt will decrease as the existing bond issues are paid off, as long as no new debt is issued. Depreciation expenses increased by \$3,814 over the prior year, in large measure due to annualization of expenses on the additional assets obtained in prior years.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a Fiscal Year. As of the end of Fiscal Year 2018, the District's governmental funds reported combined ending fund balances of \$2,016,523, a decrease of \$286,037. Approximately 26.3 percent of this fund balance total amount of \$529,684 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *restricted or committed* to indicate that it is not available for new spending because it has already been committed (\$992,166 to renewal and replacement) or restricted (\$432,512 to capital improvements and \$62,161 to debt service).

The General Fund is the chief operating fund of the District. At the end of Fiscal Year 2018, unassigned fund balance was \$529,684, while total fund balance declined to \$2,016,523. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.4 percent of total General Fund expenditures, while total fund balance represents 141.7 percent of that same amount.

The Debt Service Fund has a total fund balance of \$62,161 all of which is restricted for the payment of debt service. The net decrease in fund balance was \$1,189. This fund's revenue is comprised entirely of special assessment proceeds and interest earnings on cash balances. No new debt was issued by the District during Fiscal Year 2018.

The Capital Project Fund was closed during fiscal year 2017 and the remaining funds were transferred to the General fund (\$4,076).

General Fund Budgetary Highlights

During the year, there was no increase between the original and final revenue budget. There was a \$134,160 increase in the appropriations for the General Fund between the original and final budget. This increase was primarily related to professional services and landscape expenses due to Hurricane Irma expenditures.

Capital Asset and Debt Administration

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Management's Discussion and Analysis

September 30, 2018

Capital Assets. The District's capital assets as of September 30, 2018 and 2017 amounted to \$8,918,480 and \$9,131,813, respectively. This is net of accumulated depreciation and includes land and improvements. The decrease resulted from annual depreciation expenses.

Additional information regarding the District's capital assets can be found in Note 3 of the Notes to the Basic Financial Statements.

Long-term Debt. As of September 30, 2018 and 2017 the District had long-term debt outstanding of \$180,000 and \$390,000, respectively. Debt principal of \$210,000 was retired, while no new debt was issued by the District during the year. All of the debt is special assessment debt and is secured solely by special assessment revenue sources.

Additional information regarding the District's long-term debt can be found in Note 4 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in Sumter County where the District is located was 4.3 percent in September 2018 which is a decrease from a rate of 4.7 percent a year ago. The State's average unemployment rate is 3.5 percent and is below the national average rate of 3.7 percent.
- Inflationary trends in the area are comparable to national indices. The national Consumer Price Index (CPI) annual change for all urban consumers changed from 2.23 percent in September 2017 to 2.28 percent in September 2018.

These factors were considered in preparing the District's budget for the 2019 Fiscal Year. Total annual projected revenues have increased in the Fiscal Year 2019 budget by \$126,357 compared to the Fiscal Year 2018 amended final budget due to a 12% increase in the maintenance assessment. Expenditure appropriations have increased by \$166,035 primarily due to increases in the repairs and maintenance and capital outlay budgets.

Requests for Information

The District's financial statements are designed to present users (residents, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, contact the Village Community Development Districts, Finance Department at 984 Old Mill Run, The Villages, FL 32162; Telephone (352) 753-0421.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Statement of Net Position

September 30, 2018

Assets		Governmental Activities
Cash and cash equivalents	\$	517,983
Investments		1,717,034
Due from other governments		14,776
Accrued interest receivable		162
Assessments receivable		205,257
Capital assets:		
Non-depreciable		689,297
Depreciable (net of accumulated depreciation)		8,229,183
Total assets		<u>11,373,692</u>
Liabilities		
Accounts payable		232,006
Due to other governments		1,426
Accrued interest payable		3,900
Noncurrent liabilities:		
Due within one year		180,000
Due in more than one year		-
Total liabilities		<u>417,332</u>
Net position		
Net investment in capital assets		8,738,480
Restricted for debt service		263,518
Restricted for capital improvements		432,513
Unrestricted		1,521,849
Total net position	\$	<u><u>10,956,360</u></u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Statement of Activities
Year ended September 30, 2018

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Total
Governmental activities:						
General government services	\$ 316,867	1,015,991	-	-	699,124	699,124
Physical Environment	776,028	-	-	-	(776,028)	(776,028)
Transportation	132,977	53,205	-	-	(79,772)	(79,772)
Interest on long-term debt	15,340	-	-	-	(15,340)	(15,340)
Depreciation (unallocated)	376,775	-	-	-	(376,775)	(376,775)
Total governmental activities	<u>\$ 1,617,987</u>	<u>1,069,196</u>	<u>-</u>	<u>-</u>	<u>(548,791)</u>	<u>(548,791)</u>
General revenue:						
Other revenues					\$ 2,167	2,167
Investment earnings					47,688	47,688
Total general revenues					<u>49,855</u>	<u>49,855</u>
Change in net position					(498,936)	(498,936)
Net position – beginning					11,455,296	11,455,296
Net position – ending					<u>\$ 10,956,360</u>	<u>10,956,360</u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Balance Sheet – Governmental Funds

September 30, 2018

	General	Debt Service	Total
Assets:			
Cash and cash equivalents	\$ 455,973	62,010	517,983
Investments	1,717,034	-	1,717,034
Due from other governments	14,776	-	14,776
Accrued interest receivable	11	151	162
Assessments receivable	-	205,257	205,257
Total assets	<u>2,187,794</u>	<u>267,418</u>	<u>2,455,212</u>
Liabilities:			
Accounts payable	232,006	-	232,006
Due to other governments	1,426	-	1,426
Total liabilities	<u>233,432</u>	<u>-</u>	<u>233,432</u>
Deferred inflows of resources:			
Unavailable special assessment revenue	-	205,257	205,257
Fund balances:			
Restricted for debt service	-	62,161	62,161
Restricted for capital improvements	432,512	-	432,512
Committed for renewal and replacement	992,166	-	992,166
Unassigned	529,684	-	529,684
Total fund balances	<u>1,954,362</u>	<u>62,161</u>	<u>2,016,523</u>
Total liabilities and fund balances \$	<u>2,187,794</u>	<u>267,418</u>	<u>2,455,212</u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position

September 30, 2018

Total fund balances, governmental funds	\$	2,016,523
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	\$	14,799,586
Less accumulated depreciation		<u>(5,881,106)</u>
		8,918,480
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Special assessment revenue bonds		(180,000)
Accrued interest payable		<u>(3,900)</u>
		(183,900)
Unavailable special assessment revenue reported in the funds is added to the balance of net position restricted for debt service to reflect the revenue as recorded when the total assessment is levied.		<u>205,257</u>
Net position of governmental activities	\$	<u><u>10,956,360</u></u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Statement of Revenues, Expenditures and Changes in

Fund Balances – Governmental Funds

Year ended September 30, 2018

	General	Debt Service	Total
Revenues:			
Special assessments	\$ 994,053	236,054	1,230,107
Intergovernmental revenue	53,205	-	53,205
Other revenues	2,167	-	2,167
Investment earnings	45,290	2,398	47,688
Total revenues	<u>1,094,715</u>	<u>238,452</u>	<u>1,333,167</u>
Expenditures:			
General government services	307,183	9,351	316,534
Other physical environment	775,942	-	775,942
Transportation	132,977	-	132,977
Capital outlay	163,441	-	163,441
Debt service:			
Principal	-	210,000	210,000
Interest	-	19,890	19,890
Miscellaneous bond expense	20	400	420
Total expenditures	<u>1,379,563</u>	<u>239,641</u>	<u>1,619,204</u>
Excess (deficiency) of revenues over expenditures	<u>(284,848)</u>	<u>(1,189)</u>	<u>(286,037)</u>
Net change in fund balances	<u>(284,848)</u>	<u>(1,189)</u>	<u>(286,037)</u>
Fund balances, beginning	<u>2,239,210</u>	<u>63,350</u>	<u>2,302,560</u>
Fund balances, ending	<u>\$ 1,954,362</u>	<u>62,161</u>	<u>2,016,523</u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds to the Statement of Activities
Year ended September 30, 2018

Net change in fund balances – total governmental funds		\$ (286,037)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in the current period net of capital outlay.		
Capital outlay	\$ 163,441	
Depreciation expense	<u>(376,775)</u>	(213,334)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in accrued interest payable		4,551
Governmental funds report special assessment debt service revenue when collected, however, in the statement of activities the revenue is recorded when the total assessment is levied.		
Unearned assessment revenue as of September 30, 2018	205,257	
Unearned assessment revenue as of September 30, 2017	<u>(419,373)</u>	(214,116)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		<u>210,000</u>
Change in net position of governmental activities		\$ <u><u>(498,936)</u></u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Statement of Revenues, Expenditures and Changes in

Fund Balance – Budget and Actual

General Fund

Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Special assessments, charges for public services	\$ 990,700	990,700	994,053	3,353
Local government unit grant - transportation	53,206	53,206	53,205	(1)
Other general government charges and fees	-	-	2,167	2,167
Investment earnings	4,125	4,125	45,290	41,165
	<u>1,048,031</u>	<u>1,048,031</u>	<u>1,094,715</u>	<u>46,684</u>
Expenditures:				
Personnel services	19,425	19,425	11,430	7,995
Professional services	275,594	292,536	266,390	26,146
Accounting and auditing	7,500	7,500	7,500	-
Other contractual services	387	387	11,400	(11,013)
Travel and per diem	2,000	2,000	-	2,000
Communication and freight	100	100	1,426	(1,326)
Utility services	163,812	163,812	140,772	23,040
Rentals and leases	500	500	-	500
Insurance	6,200	6,200	6,110	90
Repair and maintenance/landscape	609,971	727,189	768,147	(40,958)
Printing and binding	500	500	199	301
Other current charges	2,050	2,050	2,642	(592)
Operating supplies	500	500	106	394
Capital outlay	169,623	169,623	163,441	6,182
Total expenditures	<u>1,258,162</u>	<u>1,392,322</u>	<u>1,379,563</u>	<u>12,759</u>
Excess of revenues				
over expenditures	<u>(210,131)</u>	<u>(344,291)</u>	<u>(284,848)</u>	<u>59,443</u>
Other financing sources:				
Transfers in	-	-	-	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total other financing sources	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(260,131)	(394,291)	(284,848)	109,443
Fund balance, beginning	2,239,210	2,239,210	2,239,210	-
Fund balance, ending	\$ <u><u>1,979,079</u></u>	<u><u>1,844,919</u></u>	<u><u>1,954,362</u></u>	<u><u>109,443</u></u>

See accompanying notes to basic financial statements.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

Village Community Development District No. 2 (the District) was established in 1996 for the purpose of planning, financing, constructing, operating, and maintaining certain community-wide infrastructure for a community development district located entirely within Sumter County, Florida. The District was created by Sumter County Commission Ordinance No. 96-12 pursuant to the provisions of Chapter 190.005, Florida Statutes, and operates within the criteria established by Chapter 190. The District is governed by a five member Board of Supervisors. As of September 30, 2018, each member of the Board of Supervisors is an elected resident of the District.

The District boundary consists of approximately 990 acres in the northeast corner of the county. Development includes construction of 3,668 residential units. The land within the District is part of the active adult retirement community known as “The Villages”. The Villages spans approximately 51 square miles across the borders of Lake, Sumter and Marion Counties, the City of Wildwood, the City of Fruitland Park and the Town of Lady Lake, Florida, and when fully developed is expected to include approximately 75,000 residences and 150,000 residents. The Villages of Lake-Sumter, Inc. was the developer and initial owner of the property within the District. All of the residential units in Village Community Development District No. 2 have been completed by the developer and sold to the current residents of the District. The Villages continues to be developed by the developer, a family-owned business established for the single purpose of developing The Villages. Most current development is being performed in District No. 12, south of District No 2.

The financial statements of the District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The District’s more significant accounting policies are described below.

There are no component units that are legally separate from the District. There are fifteen Community Development Districts (CDDs) in the total structure of The Villages, each being a separate government entity established pursuant to Chapter 190, Florida Statutes.

The Developer has formed the following community development districts:

- Village Center CDD (Lake, Marion and Sumter Counties) – This CDD provides water and sewer utility services, recreation services, security services, fire protection, and paramedic services to the residents. The cost of operations is funded by amenity and utility fees that residents pay monthly. This CDD also provides for the maintenance of common areas and roadways for the commercial areas within the CDD boundaries. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.
- Sumter Landing CDD (Sumter County) – This CDD provides recreation and security services to the residents. The cost of operations is funded by amenity fees that residents pay monthly. This CDD also provides for the maintenance of common areas and roadways for the commercial areas within the CDD boundaries. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity (continued)

- Brownwood CDD (Sumter County) – This CDD was established in June 2012 by the City of Wildwood, Florida and is located at the southern end of The Villages. This CDD provides for the maintenance of common areas and roadways for the commercial areas within the CDD boundaries. The cost of maintenance in the commercial areas will be funded through commercial maintenance assessments as the new downtown area builds out.
- Village CDD No. 1 (Sumter County) – This CDD's boundary consists of approximately 993 acres in the northeast corner of the county. The development included construction of 3,420 residential units.
- Village CDD No. 2 (Sumter County) – This CDD's boundary consists of approximately 990 acres in the northeast corner of the county. The development included construction of 3,668 residential units.
- Village CDD No. 3 (Sumter County) – This CDD's boundary consists of approximately 894 acres in the northeast corner of the county. The development included construction of 3,762 residential units.
- Village CDD No. 4 (Marion County) – This CDD's boundary consists of approximately 1,253 acres in the southern portion of the county. The development included construction of 5,432 residential units of which 85 remain unsold as of the end of the Fiscal Year.
- Village CDD No. 5 (Sumter County) – This CDD's boundary consists of approximately 1,407 acres in the northeast corner of the county. The development included construction of 6,399 residential units.
- Village CDD No. 6 (Sumter County) – This CDD's boundary consists of approximately 1,497 acres in the northeast corner of the county. Planned development includes construction of 6,697 residential units, of which 1 remains unsold as of the end of the Fiscal Year.
- Village CDD No. 7 (Sumter County) – This CDD's boundary consists of approximately 976 acres in the northeast corner of the county. The development included construction of 4,765 residential units.
- Village CDD No. 8 (Sumter County) – This CDD's boundary consists of approximately 1,098 acres in the northeast corner of the county. Planned development includes construction of 5,193 residential units of which 60 remain unsold and are being used as lifestyle preview homes by the Developer.
- Village CDD No. 9 (Sumter County) – This CDD's boundary consists of approximately 1,299 acres in the northeast corner of the county. The development includes construction of 5,409 residential units.
- Village CDD No. 10 (Sumter County) – This CDD's boundary consists of approximately 1,490 acres in the northeast corner of the county. Planned development includes construction of 6,639 residential units of which 115 remain unsold as of the end of the Fiscal Year.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity (continued)

- Village CDD No. 11 (Lake County) – This CDD’s boundary consists of approximately 693 acres within the city limits of Fruitland Park in the western portion of Lake County. Planned development includes construction of 2,055 residential units of which 34 remain unsold as of the end of the Fiscal Year.
- Village CDD No. 12 (Sumter County) – This CDD’s boundary consists of approximately 1,483 acres within the city limits of the City of Wildwood in the in the northeast corner of the county. Planned development includes construction of 6,144 residential units of which 4,608 remain unsold as of the end of the Fiscal Year.

Some of these community development districts have issued special assessment revenue bonds to finance various infrastructure improvements in their respective boundaries that are secured by special assessments levied on benefited lands in each district. It is anticipated that additional infrastructure improvements within The Villages will be undertaken by these community development districts and/or community development districts that will be created in the future, for which special assessments may be imposed on residences in The Villages and lands owned by the Developer.

In addition to the above there is one dependent district of Sumter County that is part of the family of Districts that comprise the local government of The Villages.

- North Sumter County Utility Dependent District (NSCUDD) (Sumter and Marion Counties) – The dependent district was established in July 2010 to manage and finance basic potable water, wastewater treatment and reclaimed water services for approximately 7,721 acres of land located in unincorporated Sumter County in The Villages, Florida. The District was created on July 13, 2010, by Sumter County, Florida, in Ordinance No. 2010-10, pursuant to the provisions of Chapter 189 of the Florida Statutes, and operates within the criteria established by Chapter 189. The service area of NSCUDD was expanded to include solid waste collection services for the entire Sumter County portion of The Villages. The City of Wildwood and Marion County entered into interlocal agreements with the District on November 20, 2012, authorizing the District to provide solid waste collection services in portions of their jurisdictions, including Brownwood District and District No. 4. The City of Fruitland Park entered into an interlocal agreement with the District on June 12, 2014, authorizing the District to provide solid waste collection services in the portion of their jurisdiction that lies within The Villages.

(b) Basic Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements.

The financial reporting model focus is on either the District as a whole, or major individual funds. The government-wide statement of net position reports the governmental activities of the District (a) on a government-wide basis and (b) on a full accrual basis, using the economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The statement of net position also addresses deferred inflows and deferred outflows.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(b) Basic Financial Statements (continued)

The statement of activities reflects the expenses of the District, which are offset by revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

The District's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB 34. The General Fund and the Debt Service Fund meet this definition and are designated as major funds. The District has one non-major fund, the Capital Projects Fund.

Program revenues in the statement of activities consist primarily of special assessment revenues. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position which is associated with capital assets net of accumulated depreciation less outstanding capital asset related debt.

Restricted net position is assets that have third party (statutory, bond covenant or granting agency) or enabling legislation limits on their use. The District would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted net position represents net position not included in net investment in capital assets or restricted net position.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year in which the related debt is issued and the assessments established.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Governmental funds report fund balances either as non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances. A discussion of each is as follows:

Non-spendable: Resources that cannot be spent, such as for inventories.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(c) *Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)*

Restricted: Balances that only can be spent for specific purposes imposed by external sources.

Committed: Resources that can only be spent for purposes established by the highest decision making authority in the government.

Assigned: Amounts designated for specific purposes, but do not meet the criteria to be designated restricted or committed.

Unassigned: The residual classification for all remaining funds not contained in other classifications.

The District does not currently use *Non-spendable* or *Assigned* categories of fund balance. All *Restricted* fund balances relate to external debt service restrictions. The Board of Supervisors, the highest decision making authority of the District, approves the establishment, increase and reduction in *Committed* fund balances by budget resolutions and amendments. All other fund balances are *Unassigned*. *Restricted* and *Committed* fund balances are always used first for the purposes for which they are designated. Changes to this practice require prior Board of Supervisors approval. A minimum fund balance amount has not been formally adopted.

The following are the District's major governmental funds:

General Fund

The General Fund is the operating fund of the District and is used to account for all financial resources of the general government except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

The following is the District's non-major governmental fund:

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or District-wide infrastructure.

(d) *Budgetary Data*

Legal authority and control are established in accordance with Section 190.008, Florida Statutes. Annual budgets, as well as subsequent amendments, are adopted and approved for the General Fund and Debt Service Fund by the Board of Supervisors. Budgets are adopted on a basis consistent with GAAP. All budget amounts presented in the statements reflect the original budget and the amended final budget.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(e) *Assets, Liabilities, and Net Position*

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition. The District also holds assets that are defined as investments. The District's investments are recorded at fair value unless the investment qualifies as an external investment pool and follows the guidance in GASB Statement No. 79, which allows the investment to be recorded at amortized cost.

2. Capital Assets

Capital assets are reported in the government-wide financial statements. As defined by the District, capital assets are assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District values and records donated capital assets at the estimated fair value of the item at the date of its donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is computed using the straight-line method and is recorded in general government expenses in the District's statement of activities. Estimated useful lives of the assets are as follows:

Improvements other than buildings and structures	40 years
Furniture and equipment	5-10 years

3. Bond Issuance Costs

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period when the debt is issued. The face amount of debt issued is reported as other financial sources. Premiums are reported as other financial sources, while discounts are reported as other financial uses. Issuance costs are reported as other debt service expenditures.

4. Assessments

Bond Assessments

The bond debt is repaid from the proceeds of an assessment levied by the District's Board of Supervisors. The levy is in the form of a non-ad valorem special assessment that will have a lien against properties within the boundary of the District that receive special benefits from the infrastructure improvements financed by the bonds. These assessments may be prepaid in total or

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies (continued)

(e) *Assets, Liabilities, and Net Position (continued)*

4. Assessments (continued)

Bond Assessments (continued)

annually as non-ad valorem special assessments. The bond assessment revenue and the debt service activity are accounted for in the Debt Service Fund.

Maintenance Assessments

In addition to the assessment for the repayment of bond obligations, the District has levied an assessment for the maintenance of the infrastructure and the operations of the District. This assessment is levied as part of the General Fund's annual budget. The maintenance assessment revenue is classified as program revenue and is accounted for in the General Fund.

Assessment Methodology

The assessment methodology consists of five steps. First, the District Engineer determines the costs for all District improvements needed. Second, the assessable acres that benefit from the District's infrastructure improvements are determined. Third, the District Financial Advisor and Underwriter estimate total funding needed to acquire and/or construct the infrastructure improvements. Fourth, this amount is divided equally among the benefited properties on a net assessable acreage basis. Finally, as land is platted, the debt on each assessable acre is allocated to each residential unit. This methodology is applied to both the bond and the maintenance assessments.

Billing / Collection of Assessments

The District has entered into an agreement with the Tax Collector of Sumter County. The assessments are placed on the county property tax bill as a non-ad valorem assessment. They are collected by the county under the uniform tax collection process and then remitted to the District.

(f) *Use of Estimates*

The management of the District has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate for useful lives of land improvements. Actual results could differ from those estimates.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments

Short-Term Portfolio

As of September 30, 2018, the District had the following deposits and investments:

Deposits and Investment Type	Fair Value at September 30, 2018	Weighted Average Maturity (Days)	Credit Rating
Demand Deposits, CFB	\$ 146,142	1.0	n/a
U.S. Bank - State Board of Administration, Florida Prime TM	62,010	72.0	AAAm
Florida Cooperative Liquid Assets Securities System, FLCLASS	309,831	49.0	AAAm
Florida Local Government Investment Trust	736,214	708.1	AAAf/S1
Florida Fixed Income Trust, FLFIT	667,600	321.2	AAAf/S1
Total Fair Value	\$ 1,921,797		
Portfolio Weighted Average Maturity (WAM)		393.1	

Interest Rate Risk. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. GASB 40 requires that interest rate risk be disclosed using one of the five approved methods. The five methods are: segmented time distribution, specific identification, Weighted Average Maturity (WAM), duration, and simulation model. The District has used the WAM method in the above chart. In accordance with the District's investment policy, the government manages its exposure to decline in fair values by limiting the WAM of its investment portfolio to less than three years. The WAM on September 30, 2018, was 393.1 days.

Credit Risk. GASB 40 requires disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, and other pooled investments of fixed income securities. Investments may be aggregated by ratings categories within the disclosure. Ratings are set by nationally recognized statistical rating organizations (Fitch, Moody's, and Standard and Poor's (S&P)). Fitch provides the ratings for FMIvT, while S&P provides the ratings for the Florida Local Government Investment Trust, Florida Cooperative Liquid Assets Securities System (FLCLASS) and the State Board of Administration, Florida PrimeTM.

Operating cash is maintained with Citizens First Bank, a Qualified Public Depository, pursuant to Chapter 280, Florida Statutes. Interest earned on the deposits during the Fiscal Year totaled \$1,736.

The District's cash equivalents consist of funds placed with the following:

- The State Board of Administration for participation in the Florida PrimeTM created by Section 218.415, Florida Statutes is an investment pool that operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in the Florida PrimeTM, an external investment pool, are reported at amortized cost. The pool is rated AAAm by Standard and Poor's. The Florida PrimeTM account was closed in June 2018 and the District recognized \$2 in earnings during the 2018 Fiscal Year.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Short-Term Portfolio (continued)

Credit Risk (continued)

- US Bank is the trustee for the restricted debt service trust accounts deposited with the Local Government Investment Pool (Florida PrimeTM). The District recognized \$2,398 in bond fund earnings from Florida PrimeTM during the 2018 Fiscal Year.
- The Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool and is an authorized investment consistent with Section 218.415(16)(a), Florida Statutes, and the District's short-term investment policy. The District's investments in FLCLASS are reported at amortized cost. The District recognized \$12,446 in earnings from FLCLASS for the Fiscal Year 2018.

The District's short-term investments consist of funds placed with the following entities:

- The Florida League of Cities, Inc. for participation in the Florida Municipal Investment Trust (FMIVT) investment pool is an authorized investment consistent with Section 218.415(16)(a), Florida Statutes, and the District's short-term investment policy. The District owns shares in the 1-3 Year High Quality Bond Fund pool operated by the FMIVT. GASB 31 requires all governments to mark to market the unrealized gains and losses incurred in its investments. As of September 30, 2018, the FMIVT had a realized gain of \$1,107 and the account was closed in June 2018.
- The Florida Local Government Investment Trust (FLGIT) operated by the Florida Association of Counties and Florida Court Clerks & Comptrollers is an authorized investment consistent with Section 218.415(16)(a), Florida Statutes, and the District's short-term investment policy. The District recognized an unrealized gain of \$3,307 during Fiscal Year 2018. The realization of the gain will only occur upon the future sale of the underlying shares.
- The Board approved the transfer of funds from Florida Municipal Investment Trust (FMIVT) to Florida Fixed Income Trust (FLFIT) Enhanced Cash Pool account in June 2018. The FLFIT Enhanced Cash Pool is an authorized investment consistent with Section 218.145 (16)(a), Florida Statutes and the District's short-term investment policy. The District recognized an unrealized gain of \$2 and realized gains of \$3,816 during Fiscal Year 2018. The realization of the gain will only occur upon the future sale of the underlying shares.
- In total, the District recognized investment earnings of \$24,814 in the short-term portfolio during the Fiscal Year.

Concentration of Credit Risk. The District's short-term investment policy requires the diversification of its investment portfolio. Investments may be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector;
- Limiting investments in securities with higher credit risks;
- Investment in securities with varying maturities; and

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Short-Term Portfolio (continued)

Concentration of Credit Risk (continued)

- Continuously investing a portion of the portfolio in readily available funds, such as the Local Government Investment Pool, money market funds, or overnight repurchase agreements to ensure the appropriate liquidity is maintained to meet ongoing obligations.

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District invests its operating cash solely in Qualified Public Depositories that meet the requirements of Chapter 280, Florida Statutes. In

addition to protection of up to \$250,000 for its deposits with a single bank as provided by the Federal Deposit Insurance Corporation (FDIC), the District's deposits are provided the extra level of security afforded by using a public depository that meets the requirements of Chapter 280. This includes the provision by the public depository of collateral based on the amount of public deposits maintained at the institution and the ability of the State of Florida to levy other public depositories for shortages in collateral in the event of the failure of a public depository. The Citizens First Bank is a Qualified Public Depository.

Custodial Credit Risk-Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All investments are held in the name of the District by a Custodian or a Trustee for the District.

Short-Term Investment Policy. The District is authorized to invest in those financial instruments as established by the short-term investment policy of the District. This policy allows investments authorized under Section 218.415, Florida Statutes, amended to include Repurchase Agreements and prohibiting derivative type investments. The authorized investments consist of:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- Direct obligations of the United States Treasury.
- Federal agencies and instrumentalities.
- Repurchase agreements with financial institutions approved as public depositories, provided that the underlying collateral consists of obligations of the United States Government, its agencies and instrumentalities. The repurchase agreement shall be collateralized equal to at least 102 percent of the value of the District's investment.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Short-Term Portfolio (continued)

Fair Value Measurement. The District holds assets that are defined as short-term investments. The District's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 inputs-are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- Level 2 inputs-are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs-are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The following short-term investments are recorded at fair value:

- Florida Fixed Income Trust (FLFIT)
- Florida Local Government Investment Trust (FLGIT).

Under the fair value hierarchy, all of these investments are considered to be Level 2.

The District's holds investments in qualified external investments pools that measure all of its investment at amortized cost for financial reporting purposes. These investments are recorded at amortized cost. The following investments are recorded at amortized costs and are not subject to the fair value hierarchy:

- Florida Cooperative Liquid Assets Securities System (FLCLASS)

None of the pools have limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates.

Long-Term Portfolio

In August of 2014, the District adopted a Long-Term Investment Policy (LTIP). Implementation of the LTIP occurred in October of 2014. Investments in fixed income and equity mutual funds, and money market funds, as authorized in the LTIP, are reported at fair value as of September 30, 2018, as follows:

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Long-Term Portfolio (continued)

Long Term Investment Portfolio	Fair Value at September 30, 2018	Average Maturity (years)	Credit Rating
Domestic Equity			
Vanguard Total Stock Market Index	\$ 119,658	N/A	N/A
Ishares S&P 600 Small Cap ETF	6,805	N/A	N/A
Ishares MSCI US Quality Factor EFT	6,507	N/A	N/A
International Equity			
Vanguard Total International Stock Index	20,408	N/A	N/A
Vanguard International Value	13,880	N/A	N/A
J. O. Hambro International Select	17,236	N/A	N/A
Hartford Schrdrs Emerging Market	6,096	N/A	N/A
Oppenheimer International Small-Mid Company	8,866	N/A	N/A
Fixed Income			
Baird Core Plus	35,999	7.95	A
DoubleLine Core Fixed Income I	16,298	7.09	A
Prudential Total Return	10,816	7.40	A
Vanguard Intermediate-Term Investment Grade	36,044	5.90	A
Vanguard High Yield Corporate	9,951	5.40	BB
Cash Equivalent			
First American Government Obligation	4,656	24 Days	AAAm
Total Fair Value	\$ <u>313,220</u>		

The District's LTIP allocations seek to have up to 60% in equities with the remainder in fixed income and/or cash and cash equivalents. The District contracts with qualified investment managers to whom authority is delegated to invest and reinvest assets in accordance with the LTIP. The District's LTIP does not place specific limits on maturities. During the current Fiscal Year, the Long-Term Investment Portfolio had an unrealized gain of \$22,616. The realization of the gain will only occur from the future sale of underlying shares in the portfolio.

Interest Rate Risk. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The District's LTIP addresses managing its exposure for changes in interest rate through maintaining diversification of its investments to minimize the impact of downturns in the market.

Credit Risk. GASB 40 requires disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, fixed income mutual funds, money market funds, and other pooled investments of fixed income securities. The District's LTIP stipulates that the average credit rating of the overall fixed income portfolio should be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (NRSRO), such as Fitch, Moody's, Standard and Poor's (S&P), etc.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Long-Term Portfolio (continued)

Concentration of Credit Risk. The District's LTIP requires the diversification of its portfolio. The LTIP contains an Asset Allocation Target with the objective of achieving an average total rate of return that is equal to or greater than the portfolio's target rate of return over the long-term. The Asset Allocation Targets are as follows:

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	20% - 60%	40%
International Equity	0% - 40%	20%
Other	0% - 20%	0%
Income Assets		
Fixed Income	20% - 60%	40%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	0%

Custodial Credit Risk - Investments. For an investment this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All investments are held in the name of the District by a custodian or a trustee for the District.

Long-Term Investment Policy. The District is authorized to invest in those financial instruments as established by the LTIP of the District. The LTIP was developed in accordance with Section 218.415, Florida Statutes, and prohibits direct investment in derivative-type investments. The authorized investments consist of:

- Domestic and International Equities
- Fixed Income Securities
- Other Assets (Alternatives)
 - Real Estate Investment Trust (REIT)
 - Treasury Inflation Protected Securities (TIPS)
- Cash Equivalents

The objectives of the LTIP are to diversify investments in order to minimize the impact of large losses from individual investments; provide funding for anticipated withdrawals; enhance the value of the portfolio in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile; minimize principal fluctuations over the time horizon

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(2) Deposits and Investments (continued)

Long-Term Portfolio (continued)

Long-Term Investment Policy (continued)

(five years or longer); and achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the performance expectation (an average total annual rate of return that is equal to or greater than the Portfolio's hurdle rate of 5%).

The time horizon for the LTIP is five years or longer.

Foreign Currency Risk. The District's LTIP does not allow for direct investments in foreign currency.

Fair Value Measurement. The District holds assets that are defined as long-term investments. The District's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. All of the long-term investments are recorded at fair value.

Under the fair value hierarchy, all of these investments are considered to be Level 2.

(3) Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Assets not being depreciated:				
Land	\$ 689,297	-	-	689,297
Construction in progress	-	-	-	0
Total assets not being depreciated	689,297	-	-	689,297
Assets being depreciated:				
Furniture & equipment	14,810	-	-	14,810
Improvements other than buildings	13,932,037	163,442	-	14,095,479
Total assets being depreciated	13,946,847	163,442	-	14,110,289
Less accumulated depreciation for:				
Furniture & equipment	(4,123)	(1,427)	-	(5,550)
Improvements other than buildings	(5,500,208)	(375,348)	-	(5,875,556)
Total depreciation	(5,504,331)	(376,775)	-	(5,881,106)
Total assets being depreciated, net	8,442,516	(213,333)	-	8,229,183
Governmental activities, capital assets	\$ 9,131,813	(213,333)	-	8,918,480

The District made additional capital improvements to infrastructure which totaled \$163,442. The District also recognized \$376,775 in depreciation expense which reduced the value of the capital assets.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(4) Long-term Debt

Long-term debt consisted of the following as of September 30, 2018:

\$6,670,000 Special Assessment Revenue Bonds, Series 1998 one final principal installment of \$180,000 in May 2019 in accordance with the redemption schedule. Interest is due semi-annually on May 1 and November 1 of each year until redemption or maturity. Interest rate is 5.200%.

	180,000
Total long-term debt	180,000
Less current installments of bonds payable	(180,000)
Revenue bonds payable less current installments	\$ -

The Special Assessment Revenue Bonds are secured by a lien and pledge of revenues under the indentures, which are derived by the District through levy and collection on land within the District specifically benefited. These bonds are additionally secured by amounts on deposit in the funds and accounts created pursuant to the indentures. The annual requirements to amortize the principal and interest of all revenue bonds payable as of September 30, 2018, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending:			
2019	180,000	9,360	189,360
Total	\$ 180,000	9,360	189,360

Changes in Long-term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental activities:					
Bonds payable	\$ 390,000	-	210,000	180,000	180,000
Long-term debt	\$ 390,000	-	210,000	180,000	180,000

The 1996 bonds were retired during Fiscal Year 2017.

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 2

Notes to Basic Financial Statements

September 30, 2018

(4) Long-term Debt (continued)

Pledged Revenues. The District has pledged certain benefit special assessment revenue to pay the principal and interest on special assessment bonds issued to pay for infrastructure improvements. These special assessment revenue bonds were outstanding on September 30, 2018, as shown below. The table reports the revenues pledged for the debt issue, the amount of revenue received in the current year, the current year principal and interest paid on the debt, the approximate percentage of revenue which is pledged to meet the debt obligation, and the date through which the revenue is pledged under the debt agreement and the total pledged future revenues for the debt, which is the amount of the remaining principal and interest on the bonds as of September 30, 2018.

Pledged Revenue	Revenue Received	Principal and Interest Paid	Estimated Percent Pledged	Outstanding Principal and Interest	Pledged Through
Special Assessments \$	236,054 \$	229,890 \$	100%	\$ 189,360	2019
Phase II					

(5) Related Parties

The District has no employees. For certain management, finance, and administrative services, the District entered into an interlocal agreement with Village Center Community Development District (VCCDD), a community development district created under Florida Statute 190. Under the agreement, fees accrued to VCCDD by the District for such services totaled \$156,506 for the year ended September 30, 2018. The District has also contracted with VCCDD for Deed Compliance Service which for the year ended September 30, 2018, totaled \$39,219.

(6) Risk Management

The District is exposed to various risk of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. The District generally carries insurance for these risks, however, the District retains risk for certain property coverage and for losses in excess of coverage limits. There have been no claims in excess of coverage limits for the past three years.

(7) Commitments and Contingencies

Hurricane Irma related expenses and revenues

In September 2017, The District sustained damage related to Hurricane Irma, in most part, with debris, trees and falling limbs. FEMA is expected to reimburse the District for storm related damage. The District has submitted all required documentation to support the loss to FEMA. The amount of expenditures to date was \$96,485 and \$121,893 in 2018 and 2017 respectively. No FEMA reimbursement has been received or accrued to date due to the uncertainty of a reliable estimate of approved expenditures.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Village Community Development District No. 2 (the District) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected, and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Certified Public Accountants

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Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(Concluded)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



January 30, 2019
Ocala, Florida

MANAGEMENT LETTER

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

Report on the Financial Statements

We have audited the financial statements of Village Community Development District No. 2 (the District) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated January 30, 2019.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 30, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in this management letter, unless disclosed in the notes to the financial statements (see Note 1 of the District's September 30, 2018, basic financial statements for this information).

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556 (7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Certified Public Accountants

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Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management (Concluded)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



January 30, 2019
Ocala, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTE SECTION 218.415 - INVESTMENT OF PUBLIC FUNDS**

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

We have examined Village Community Development District No. 2 (the District)'s compliance with Section 218.415, Florida Statutes, with regards to the District's investments during the fiscal year ended September 30, 2018. District management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

January 30, 2019
Ocala, Florida

Certified Public Accountants

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The Villages®
Community Development Districts
District 2

January 30, 2019

Board of Supervisors
Village Community Development District No. 2
The Villages, FL 32162

RE: Management Response Letter

Dear Supervisors:

Attached is the completed audit for Fiscal Year 2017 – 2018 for the Village Community Development District No. 2. We are proud to report that this audit has an unmodified opinion.

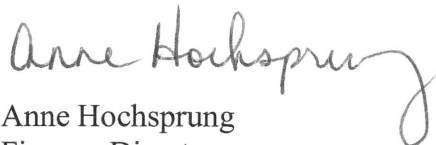
There are no internal control deficiencies, material weaknesses, or compliance issues identified and reported. No prior year comments were identified, as all have been corrected in previous years, and no new comments have been identified in the current audit report.

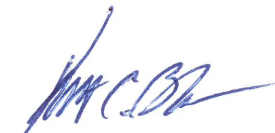
Your District staff has worked hard to assure you, as supervisors, that the management of the District's funds is conducted professionally, consistent with generally accepted accounting principles, and governing Florida Statutes.

We believe that Village Community Development District No. 2 continues to set an example for the appropriate management of Community Development Districts as conceived in Chapter 190, Florida Statutes. We would particularly like to commend the staff of the Villages District Finance Department for their diligent efforts in recording and maintaining the financial records of the District.

We would be happy to entertain any questions members of the Board of Supervisors may have on the audit report or the management of District resources.

Sincerely,


Anne Hochsprung
Finance Director


Kenneth C. Blocker
Assistant District Manager

VILLAGE COMMUNITY DEVELOPMENT DISTRICT No. 2
984 Old Mill Run, The Villages, FL 32162
Business Telephone (352) 753-0421 Business Fax (352) 751-3901

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

We have audited the financial statements of the governmental activities and each major fund of the Villages Community Development District No. 2 (the District) for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2018. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance, or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities' financial statements were:

- *Useful Lives of Assets*—Management's estimate of the useful lives of assets is based upon known historical facts and industry standards for similar assets.
- *Valuation of Donated Capital Assets*—When capital assets are donated to the District, management estimates the value to record by obtaining the acquisition value of similar assets.
- *Fair Value of Investments*—Investments are measured at fair value and are considered Level 2 within the fair value hierarchy. Level 2 implies valuations using inputs for quoted prices for similar investments in active or non-active markets.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Supervisors
Village Community Development District No. 2
The Villages, Florida

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no known misstatements that were identified during the audit process that were material to the financial statements and/or uncorrected.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. The following issue was noted during the course of our audit:

- **Hurricane Irma Expenditures**—As further explained in the notes to the financial statements, the District incurred additional expenditures beginning in September 2017 and into fiscal year 2018 due to the effects of Hurricane Irma clean-up efforts, part of which have been included in the 2017 and 2018 financial statements. District management will seek reimbursement from FEMA for allowable costs at the applicable refundable rates. No estimate for the anticipated revenues from the reimbursement requests are known as of the date of this report.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Supervisors and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Durvis, Gray and Company, LLP

January 30, 2019
Ocala, Florida

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Barbara E. Kays, Budget Director

DATE: 2/8/2019

SUBJECT: **Approval of FY 19-20 Budget Calendar**

ISSUE:

Request Board approval of dates for a Budget Workshop on May 20, 2019, approval of the Proposed Budget at the June 14, 2019 regular meeting and a Public Hearing to adopt the Final Budget at the September 13, 2019 regular meeting.

ANALYSIS/INFORMATION:

It's Budget Kick-off time! Attached is the District's tentative Fiscal Year 2019-20 Budget Calendar. The District 2 budget schedule is explained below and highlighted on the attached calendar.

The May Budget Workshop is scheduled for Monday, May 20, 2019 to include the review of the Fiscal Year 2019-20 recommended budget by line-item detail, capital improvement plan updates, and discuss the proposed maintenance assessment rates. The May workshop will be held at 9:30 a.m. in the District Large Conference Room located at 984 Old Mill Run in Lake Sumter Landing.

The approval of the Proposed Budget will take place during your regular meeting on June 14, 2019 at the District Large Conference Room.

The Public Hearing to adopt the Final Budget is scheduled at your regular meeting on September 13, 2019 at the District Large Conference Room.

STAFF RECOMMENDATION:

Staff recommends Board approval of dates for a Budget Workshop May 20, 2019, approval of the Proposed Budget at the June 14, 2019 regular meeting and a Public Hearing to adopt the Final Budget at the September 13, 2019 regular meeting.

MOTION:

Move to approve the Fiscal Year 2019-20 Budget Calendar as presented.

ATTACHMENTS:

Description	Type
□ FY 19-20 Budget Calendar	Cover Memo

FY2019-20 TENTATIVE BUDGET CALENDAR

Mar 11	(Mon)	Regular Meeting - Preliminary Budget Workshop following meeting PWAC 8:30 am District - Large Conference Room
Mar 20	(Wed)	Joint Workshop - Amenity Deferral Discussion AAC/PWAC 9:00 am Savannah Center, Ashley Wilkes Room
Mar 25	(Mon)	Departments Submit Requested Budget Packet
Apr 8	(Mon)	Regular Meeting - Budget Update PWAC 8:30 am District - Large Conference Room
Apr 10	(Wed)	Regular Meeting - Budget Update AAC 9:00 am Savannah Center, Ashley Wilkes Room
No later than	May 1st	Submit Safety Recommended budget to Sumter County Administrator
May 6	(Mon)	Regular Meeting - Budget Review PWAC 8:30 am District - Large Conference Room
May 8	(Wed)	Regular Meeting - Budget Review AAC 9:00 am Savannah Center, Ashley Wilkes Room
May 9	(Thu)	Regular Meeting - Budget Review District 7 8:00 am District - Large Conference Room District 12 9:30 am District - Large Conference Room District 11 11:00 am District - Large Conference Room District 13 1:30 pm District - Large Conference Room
May 13	(Mon)	Budget Workshop District 5 8:00 am District - Large Conference Room District 6 9:30 am District - Large Conference Room District 8 11:00 am District - Large Conference Room District 9 1:30 pm District - Large Conference Room District 10 3:00 pm District - Large Conference Room
May 20	(Mon)	Budget Workshop District 1 8:00 am District - Large Conference Room District 2 9:30 am District - Large Conference Room District 3 11:00 am District - Large Conference Room District 4 1:30 pm District - Large Conference Room
Jun 3	(Mon)	Regular Meeting - Provide Recommendation PWAC 8:30 am District - Large Conference Room
Jun 6	(Thu)	Regular Meeting - Approve Proposed Budget SLCDD 10:00 am District - Large Conference Room BCDD 11:00 am District - Large Conference Room District 9 1:30 pm District - Large Conference Room District 10 3:00 pm District - Large Conference Room

Jun 7	(Fri)	Regular Meeting - Approve Proposed Budget
		District 5 8:00 am District - Large Conference Room
		District 6 9:30 am District - Large Conference Room
		District 8 11:30 am District - Large Conference Room
Jun 10	(Mon)	Regular Meeting - Review Recommend Budget
		NSCUDD 9:00 am District - Large Conference Room
Jun 12	(Wed)	Regular Meeting - Recommend Approval of Proposed Budget
		AAC 9:00 am Savannah Center, Ashley Wilkes Room
Jun 12	(Wed)	Regular Meeting - Approve Proposed Budget
		VCCDD 3:30 pm District - Large Conference Room
Jun 13	(Thu)	Regular Meeting - Approve Proposed Budget
		District 7 8:00 am District - Large Conference Room
		District 12 9:30 am District - Large Conference Room
		District 11 11:00 am District - Large Conference Room
		District 13 1:30 pm District - Large Conference Room
Jun 14	(Fri)	Regular Meeting - Approve Proposed Budget
		District 1 8:00 am District - Large Conference Room
		District 2 9:30 am District - Large Conference Room
		District 3 11:00 am District - Large Conference Room
		District 4 1:30 pm Savannah Center, Ashley Wilkes Room
Jul 9	(Tue)	Regular Meeting - Approve Proposed Budget
		NSCUDD 9:00 am District - Large Conference Room
No later than	July 15th	Submit Approved NSCUDD Proposed Budget to the Sumter County Administrator (SC Ordinance 2010-10)
Sep 3	(Tue)	Regular Meeting - Approve Final Budget Recommendation
		PWAC 8:30 am District - Large Conference Room
Sep 5	(Thu)	Regular Meeting - Public Hearing to Adopt Final Budget
		SLCDD 10:00 am District - Large Conference Room
		BCDD 11:00 am District - Large Conference Room
		District 9 1:30 pm District - Large Conference Room
		District 10 3:00 pm District - Large Conference Room
Sep 6	(Fri)	Regular Meeting - Public Hearing to Adopt Final Budget
		District 5 8:00 am District - Large Conference Room
		District 6 9:30 am District - Large Conference Room
		District 8 11:30 am District - Large Conference Room
Sep 11	(Wed)	Regular Meeting - Approve Final Budget Recommendation
		AAC 9:00 am Savannah Center, Ashley Wilkes Room
Sep 11	(Wed)	Regular Meeting - Public Hearing to Adopt Final Budget
		VCCDD 3:30 pm District - Large Conference Room

Sep 12 (Thu)	Regular Meeting - Public Hearing to Adopt Final Budget	
	District 7	8:00 am District - Large Conference Room
	District 12	9:30 am District - Large Conference Room
	District 11	11:00 am District - Large Conference Room
	District 13	1:30 pm District - Large Conference Room

Sep 13 (Fri)	Regular Meeting - Public Hearing to Adopt Final Budget	
	District 1	8:00 am District - Large Conference Room
	District 2	9:30 am District - Large Conference Room
	District 3	11:00 am District - Large Conference Room
	District 4	1:30 pm Savannah Center, Ashley Wilkes Room

**No later
than Sep 15th Sumter County Board of Commissioners -
Adopt NSCUDD Final Budget (SC Ordinance 2010-10)**

District - Large Conference Room is located at 984 Old Mill Run (Lake Sumter Landing).
Savannah Recreation Center is located at 1545 Buena Vista Boulevard.

As of 1/28/2019

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Candice N. Dennis, Community Standards Manager

DATE: 2/8/2019

SUBJECT: **Architectural Review Manual**

ISSUE:

Proposed revisions to the Architectural Review Manual (Manual).

ANALYSIS/INFORMATION:

During the January 2019 meeting, staff provided proposed revisions to the Manual. After discussion by each of the District Boards, staff incorporated the additional suggestions in blue for easy reference. The additions include:

Section 2.5 Driveways, Walkways, Patios, Front Entry Flooring

Courtyard Villas: Pavers shall be ~~a solid color throughout (not a mixture of colors)~~ and flush with the connecting driveway/walkway/roadway. *This portion was eliminated based on comments that pavers are not a solid color in nature but have variations within each paver.*

Patio Villas: Driveways and walkways may be painted only colors that are harmonious to the home and surrounding neighborhood and may include non-verbiage designs no larger than five (5) feet by five (5) feet in circumference. Borders are permitted no larger than four (4) inches wide.

Section 2.10 Garage Doors/Screens

Courtyard Villa: The ARC does not review applications regarding garage door or screen modifications to install or remove glass, decorative panels, garage door screen or garage door painting if the chosen color is the color used at the time of original construction. All other exterior painting and modifications to the height or width of the garage door requires ARC approval.

Patio Villa: The ARC does not review applications regarding garage door or screen modifications to install or remove glass, decorative panels, garage door screen or garage door painting if the chosen color is the color used at the time of original construction. All other exterior painting requires ARC approval. Garage doors shall remain the same size as originally constructed.

On January 23, 2019, by consensus the ARC requested staff to include the following revision to the Manual:
Section 2A Structures:

Courtyard Villa Item 3: corner/end lots for courtyard villas may be permitted to construct additions which may require moving the gate forward but not past the existing structure and so long as the addition does not

encroach into any easements. If it is necessary to adjust a sidewalk as originally constructed by the Developer to accommodate the addition and gate movement, the adjusted sidewalk shall not exceed four (4) feet in width and shall not be permitted to any walkway, carpath or road right-of-way. This exception does not permit additional sidewalks.

STAFF RECOMMENDATION:

Staff recommends the Village Community Development District No. 2 approve the proposed revisions to the Architectural Review Manual effective February 8, 2019.

MOTION:

Motion to approve the proposed revisions to the Architectural Review Manual effective February 8, 2019.

ATTACHMENTS:

Description	Type
▣ Architectural Review Manual	Cover Memo

District 2

Section II – Home, Courtyard Villa, Patio Villa

Property owners (Owners) seeking Architectural Review Committee (ARC) approval shall submit a completed **ARC Home/Property Alteration Application Form** Architectural Review Committee (ARC) Application Form to the Community Standards Department (Department). Owners have the burden of demonstrating their requested improvement is aesthetically pleasing and benefits and enhances the respective subdivision. It is the Owner's responsibility to contact the Department to obtain the most up to date version of the application or print said application from the District's website: www.districtgov.org.

The District's Rule to Bring About Deed Compliance (Rule), which includes a Matrix of External Deed Restrictions and Fine Schedule (Matrix), can also be found on the above website under the Community Standards home page.

2.1 Easements and Property Lines

Site plans shall include all easement areas, including but not limited to platted easements, special easements, easements described in the recorded declaration of restrictions and identified in the Rule.

Owners are responsible and liable for any and all easement encroachments regardless of ARC approval. Improvements shall not cause adverse additional drainage flow on adjacent properties. Owners receiving ARC approval remain liable for any water flow blockage, interruption of water flow, redirection of existing drainage flow, disruption to the grading of the dominant easement area and any additional drainage flow caused by any improvements made to the property including the installation of landscaping. In addition, said Owner is responsible for any damage that may be caused to any said improvements, including landscaping, should access to the easement area be necessary by any party having rights to the easement area.

A. Structures

Note: Landscape walls, curbing and edging do not constitute a "structure" for purposes of this section. These items are addressed under Section 2.1B.

Home

No structure of any kind shall be permitted in the easement areas as indicated in the Rule or on the site plan submitted with the application except for the following:

- concrete/pavers for ingress/egress doorway pads for a birdcage/screen room no larger than four (4) feet by four (4) feet.
- doorway stairs not exceeding four (4) feet by four (4) feet unless necessary to accommodate land elevations.

- concrete pads for air conditioner units no larger than necessary to accommodate the air conditioner unit.
- generators.
- pool pump and related parts including pool equipment screening.

The above, doorway pads, stairs, air conditioner pads, generators and pool equipment shall remain a minimum of two (2) feet from the property line under all circumstances.

If the Rule does not address easements, all structures of any kind shall be kept a minimum of seven and one-half (7 ½) feet from the rear property line, five (5) feet from the side property line and ten (10) feet from every street or road fronting on the subject lot for aesthetic, uniformity and drainage purposes.

Courtyard Villa

1. Rear Easements: No structure of any kind shall be permitted in rear easement areas except for patios, walks and pool equipment. Patios and walks shall be kept a minimum of two (2) feet from the rear wall and pool equipment, which includes birdcages, shall be kept a minimum of five (5) feet from the rear wall for maintenance, drainage purposes and aesthetics. If the Rule is silent regarding easements, no structure of any kind shall be permitted within seven and one half (7 ½) feet from the rear wall except for patios and walks which shall be permitted but kept a minimum of two (2) feet from the rear wall for maintenance and drainage purposes.

2. Side Easements: Dominant Easement (Owner's side yard enjoyment area) / Servient Easements (Owner's side yard burden): No structure of any kind shall be permitted in the servient or dominant easement areas. ~~unless the Rule permits patio and walks within the side yard dominant easement area.~~ All structures ~~except for permitted patio and walkways~~ shall be kept a minimum of five (5) feet from the side property line. ~~on the dominant easement side. If patio and walkways are permitted within the dominant easement area, they shall be kept a minimum of two (2) feet from the side property line on the dominant easement side.~~ Additionally, rear room additions may extend to the servient easement side wall / fence. All other modifications (i.e. birdcages, pergolas, concrete slabs, walks and the like) to the rear of the home must remain two (2) feet from the servient easement side wall/fence for maintenance purposes. If the Rule does not address side easements, all structures of any kind shall be kept a minimum of five (5) feet from property line for aesthetic, uniformity and drainage purposes.

3. Front Yard / Driveway Area Easements: Due to the courtyard villa's unique design, easement rights, limited pervious surface and aesthetic uniformity, no modifications shall be allowed in the front yard or driveway easement area, with the following exceptions:

- landscaping in accordance with landscaping provisions.

- corner/end lots for courtyard villas may be permitted to construct additions which may require moving the gate forward but not past the existing structure and so long as the addition does not encroach into any easement. . If it is necessary to adjust a sidewalk, as originally constructed by the Developer, to accommodate the addition and gate movement, the adjusted sidewalk shall not exceed four (4) feet in width and shall not be permitted to any walkway, carpath or road right-of-way. This exception does not permit additional sidewalks.
- end lot walkway expansions to the original developer constructed walkway only if the lot and existing walkway are not situated at or near an intersection, the completed walkway width does not exceed six (6) feet, does not encroach into any easement, the expansion is being requested to accommodate a legally existing golf cart garage or simultaneously with a golf cart garage addition request and the golf cart garage door does not exceed six (6) feet in width. The walkway expansion shall not be permitted to any walkway or carpath.
- corner / end lot new walkway improvements only if the width does not exceed six (6) feet, does not encroach into any easement, the expansion is being requested to accommodate a legally existing golf cart garage or simultaneously with a golf cart garage addition request and the golf cart garage door does not exceed six (6) feet in width. The walkway shall not be permitted to any carpath or road right-of-way; however, the walkway is permitted to be attached to an existing driveway.

Patio Villa

1. Rear Easements: No structure of any kind shall be permitted in rear easement areas. If the Rule does not address rear easements, all structures of any kind shall be kept a minimum of seven and one-half (7 ½) feet from property line for aesthetic, uniformity and drainage purposes.

2. Side Easements: Dominant Easement (Owner's side yard enjoyment area)/Servient Easements (Owner's side yard burden): No structure of any kind shall be permitted in the servient easement area including patios and walkways. No structure of any kind, except for patios and walks, shall be permitted within the dominant easement area. In said dominant easement area, patios and walkways shall be kept a minimum of two (2) feet from the exterior of the side dwelling wall of the servient tenement. If the Rule does not address side easements, all structures, except for patio and walkways, shall be kept a minimum of five (5) feet from the side property line. Patio and walkways shall be a minimum of two (2) feet from the side property line for aesthetic, uniformity and drainage purposes.

3. Front Yard / Driveway Area Easements: Due to the patio villa's unique design, easement rights, limited pervious surface and aesthetic uniformity, no structural modifications, other than permitted driveway extensions, shall be allowed in the front yard or driveway easement area.

B. Landscaping

Note: This section refers to new/additional landscaping and not landscaping originally installed at time of construction.

Home

Note: Curbing, edging and landscape walls shall only be permitted around approved landscaping beds and not to be utilized as a dividing instrumentality.

Landscaping plans which do not include curbing, edging or landscape walls, shall be kept a minimum of two (2) feet from the property lines for aesthetics, maintenance, storm water maintenance and drainage purposes. When landscaping plans include curbing, edging and landscape walls, those items shall be kept a minimum of three (3) feet off the property line for aesthetics, maintenance, storm water maintenance and drainage purposes. Landscape walls shall be no higher than eighteen (18) inches; however, landscaping walls may exceed eighteen (18) inches in height, if necessary, due to existing lot elevations. Existing sod or other plant material shall only be replaced with sod or other plant material. Rock is not an acceptable replacement for sod or other plant material(s) except as an accent material in approved landscaping beds.

Courtyard Villa

Note: Curbing, edging and landscape walls shall only be permitted around approved landscaping beds and not to be utilized as a dividing instrumentality.

1. Side Yard: Landscaping shall not disturb the grading of the dominant easement area. Landscaping plans which do not include curbing, edging or landscape walls shall be kept a minimum of two (2) feet off the dominant tenement side yard wall/fence, a minimum of two (2) feet off the servient tenement side yard wall and a minimum of two (2) feet from the rear property line for aesthetics, maintenance, storm water maintenance and drainage purposes. When landscaping plans include curbing, edging and landscape walls, those items shall not disturb the grading of the dominant easement area, shall be kept a minimum of three (3) feet off the dominant tenement side yard wall/fence and a minimum of three (3) feet from the rear property line for aesthetics, maintenance, storm water maintenance and drainage purposes.

2. Front Yard: The courtyard villa front yard area consists of the area in front of the gate. Landscaping plans, with or without curbing, edging and landscape walls, are permitted in the front yard area up to the street pavement, shall not disturb the grading of the dominant easement area and shall be kept a minimum of three (3) feet from the neighbor's front yard wall/fence for aesthetics, maintenance, storm water maintenance and drainage purposes. Landscaping, with or without curbing, edging or landscape walls, is not permitted in the servient easement areas.

3. Rear Yard: Landscaping plans which do not include curbing, edging or landscape walls, shall be kept a minimum of two (2) feet from the rear property line for maintenance and drainage purposes. When landscaping plans include curbing, edging or landscape walls, those items shall be kept a minimum of three (3) feet from the rear property line for maintenance, storm water maintenance and drainage purposes.

4. Existing sod may be replaced with sod, other plant material(s), rocks, or decorative stones; however, the front yard area must include some plant material (planted in the ground) for aesthetic purposes.

Patio Villa

Note: Curbing, edging and landscape walls shall only be permitted around approved landscaping beds and not be utilized as a dividing instrumentality.

1. Side Yard: Landscaping plans which do not include curbing, edging or landscape walls, shall not disturb the grading of the dominant easement area, shall be kept a minimum of two (2) feet off the dominant tenement side yard wall/fence, a minimum of two (2) feet off the servient tenement side yard wall, and a minimum of two (2) feet from the rear property line for aesthetics, maintenance, storm water maintenance and drainage purposes. When landscaping plans include curbing, edging and landscape walls, those items shall not disturb the grading of the dominant easement area, shall be kept a minimum of three (3) feet off the dominant tenement side yard wall/fence and a minimum of three (3) feet from the rear property line for aesthetics, maintenance, storm water maintenance and drainage purposes.

2. Front Yard: Landscaping plans that do not include curbing, edging and landscape walls are permitted in the front yard area up to the street pavement but shall not disturb the grading of the dominant easement area and shall be kept a minimum of two (2) feet from the neighbor's driveway. When landscaping plans include curbing, edging and landscape walls, those items are permitted in the front yard area up to the street pavement but shall not disturb the grading of the dominant easement area and shall be kept a minimum of three (3) feet from the neighbor's driveway for aesthetics, maintenance, storm water maintenance and drainage purposes. Landscaping, with or without curbing, edging or landscape walls is not permitted in the servient easement areas. Hedges are only permitted in front of the fence as originally constructed, repaired or replaced.

3. Rear Yard: Landscaping plans which do not include curbing, edging or landscape walls, shall be kept a minimum of two (2) feet from the rear property line for maintenance and drainage purposes. When landscaping plans include curbing, edging or landscape walls, those items shall be kept a minimum of three

(3) feet from the rear property line for aesthetics, maintenance, storm water maintenance and drainage purposes.

4. Existing sod shall only be replaced with sod or other plant material. Rock is not an acceptable replacement for sod or other plant material except as an accent material in approved landscaping beds.

2.2 Arbors, Pergolas, Trellises & Gazebos

Arbor:

Home, Courtyard Villa, Patio Villa

Arbors may be freestanding, shall be anchored into the ground for safety purposes, shall be located in the rear or side quadrant, shall not be located in any easement area and shall have no fences on either side. Only one (1) arbor per lot shall be permitted and shall be consistent with the size of the lot.

Pergola:

Home, Courtyard Villa, Patio Villa

~~Only one (1) pergola per lot is permitted.~~ Pergolas shall not be located in any easement area, shall be anchored into the ground for safety purposes and shall be located in the rear or side quadrant. Pergolas shall be consistent with size of lot. Pergolas constructed with a concrete pad may be screened on the sides. Pergola roofs may be screen, glass (tempered, plexi, poly carbonate, laminated, or similar product), canopy (including retractable, shade sail), solar panel or louvered. All canopy products shall be a solid color harmonious to the home.

Trellis:

Home, Courtyard Villa, Patio Villa

A trellis is a two dimensional structure of open lattice work which may be freestanding and is permitted but shall not be permitted in any easement area. Trellises shall be consistent with the size of the lot.

Gazebos:

Home, Courtyard Villa, Patio Villa

A gazebo is a freestanding, roofed, open-sided structure providing a shady resting place and is permitted. Only one (1) gazebo per lot is permitted. A gazebo shall not be in any easement area, shall be located in the rear quadrant, the gazebo shall be consistent with the size of the lot, and its roof material shall be harmonious with the existing home.

2.3 Awnings:

Courtyard Villa, Patio Villa

Permanent awnings with vertical structures are prohibited within any easement area. Retractable awnings shall maintain a minimum of two (2) feet from any adjoining building or dividing wall. Awning color shall be harmonious with the color of the existing home.

2.4 Building Additions/Screen Rooms/Birdcages/Screen Front Entry Home

1. Building additions: all materials, including roof pitch, shall match existing home.
2. Screen rooms/birdcages shall have a concrete floor or some type of finished flooring with the exception of permanently raised landscape planters.
3. Canvas roof covers (full and partial) on screen rooms/birdcages are allowed. The covers shall be on a metal frame, firmly attached to the existing screen room/birdcage and be in accordance with applicable county, state and federal regulations. Canvas roof covers shall be a solid color complimenting the color of the home/roof with no stripes or designs allowed. Valances are allowed on full canvas roof covers **and** may have contrasting piping but cannot exceed sixteen (16) inches in length. Valances are not allowed on partial canvas roof covers unless there are different levels in the screen room/birdcage roof. If different levels exist, partial valances are permitted as long as the length is no greater than the difference between levels or sixteen (16) inches maximum.
Architectural Review approval shall be obtained.

4. Partial canvas roof covers on screen rooms/birdcages are allowed. The covers shall be on a metal frame, firmly attached to the existing screen room/birdcage and be in accordance with applicable county, state and federal regulations.

4. The **Architectural Review Committee** **ARC** does not review applications for conversions from glass to screen or screen to glass so long as the original window/door opening does not change in size by more than eight (8) inches.

Courtyard Villa

1. Screen rooms/birdcages shall have a concrete floor or some type of finished flooring with the exception of permanently raised landscape planters.
2. Due to the diversity of the adopted Rule, it is necessary to refer to the specific set of adopted Rules for roofing material and pitch.
3. Screening of the front entryway is not allowed. **The adopted Rule state that modifications cannot be done on Courtyard Villas that would substantially alter the appearance of the home**
4. Canvas roof covers (full and partial) on screen rooms/birdcages are allowed. The covers shall be on a metal frame, firmly attached to the existing screen room/birdcage and be in accordance with applicable county, state and federal regulations. Canvas roof covers shall be a solid color complimenting the color of the home/roof with no stripes or designs allowed. Valances are allowed on full canvas roof covers **and** may have contrasting piping but cannot exceed sixteen

(16) inches in length. Valances are not allowed on partial canvas roof covers unless there are different levels in the screen room/birdcage roof. If different levels exist, partial valances are permitted as long as the length is no greater than the difference between levels or sixteen (16) inches maximum. **Architectural Review approval shall be obtained.**

Patio Villa

1. A room addition may be added to the rear of the unit. All windows or doors shall be to the rear and on the owner's dominant side. All materials shall match existing villa.
2. Screen rooms/birdcages shall have a concrete floor or some type of finished flooring with the exception of permanently raised landscape planters.
3. Canvas roof covers (full and partial) on screen rooms/birdcages are allowed. The covers shall be on a metal frame, firmly attached to the existing screen room/birdcage and be in accordance with applicable county, state and federal regulations. Canvas roof covers shall be a solid color complimenting the color of the home/roof with no stripes or designs allowed. Valances are allowed on full canvas roof covers **and** may have contrasting piping but cannot exceed sixteen (16) inches in length. Valances are not allowed on partial canvas roof covers unless there are different levels in the screen room/birdcage roof. If different levels exist then partial valances are permitted as long as the length is no greater than the difference between levels or sixteen (16) inches maximum. **Architectural Review approval shall be obtained.**
4. Screening of the front entryway is allowed. It must be under the existing roof line (not eave line) and on the existing entry way concrete slab.

2.5 Driveways, Walkways, Patios, Front Entry Flooring

Home

~~A. Painting/Coatings: Driveways and walkways may have brick pavers or may be painted.~~

~~The ARC does not review applications for driveway painting/coatings/pavers.~~
~~Driveway extensions: Due to the diversity of each individual home unit, it is necessary to refer to the Matrix. Driveway extensions may be granted only if the extension is affixed to the existing driveway originally constructed/designed by the Developer and accommodates an existing garage, a garage expansion or addition of a golf cart garage or expansion thereof. Driveway extensions shall not be granted if proposed expansion violates any Rule provisions.~~

Courtyard Villa

1. Painting/Coatings: No colored coatings are permitted without prior written ARC approval. Courtyard villa driveway/walkway painting is allowed provided a petition, **approved by the ARC,** listing the desired colors is signed by 75% of the

homeowners of the villa unit. Only one signature per homesite is permitted. Once a particular villa unit's petition has been approved by the ARC, individual lot owners residing therein are not required to may submit an ARC Application Form architectural application for review when utilizing the approved petition colors. in accordance with the approved petition colors. Additional colors may be approved following the same petition process identified herein. Driveway pavers are not allowed. Floor of front entry way under existing roof line may be tiled, painted or covered with pavers.

2. Pavers: Courtyard villa driveway/walkway pavers are allowed provided a petition, approved by the ARC, listing the desired colors is signed by 75% of the homeowners of the villa unit. Only one signature per homesite is permitted. Pavers shall be a solid color throughout (not a mixture of colors) and flush with the connecting driveway/walkway/roadway. Once a particular villa unit's petition has been approved by the ARC, individual lot owners residing therein are not required to may submit an ARC Application Form architectural application for review when utilizing the approved petition colors. in accordance with the approved petition colors. Additional colors may be approved following the same petition process as identified herein.

3. Driveway extensions are not permitted.

Patio Villa

Patio Villas may widen their driveway no more than two (2) feet on the side not burdened by a side yard easement. Driveways and walkways may be painted only colors that are harmonious to the home and surrounding neighborhood and may include non-verbiage designs no larger than five (5) feet by five (5) feet in circumference. Borders are permitted no larger than four (4) inches wide. Hot, electric, neon or bright colors are not permitted. specifically in keeping with the Patio Villa driveway and walkway colors. Driveways and walkways may use pavers.

(See Patio Villa Driveway Paint Colors)

Home Color	Base Color	Border
Almond	Rasp 2912W	Tree Bark 2911W
Brookstone	Tradewind 8641W	Tram Gray 8643M Greylock 8643D
Cameo	Sugar Loaf 2671W	Crouton 2672W
Champaignee	Pongee Tint 8720W	Clay Beige 8721W Desert Tumbleweed 8723M
Classic Cream	Sandy Lane 8211W	Tobacco Road 8214M
Corsican Treasure	Corsican Treasure ICI #424	Raffia Crème ICI #487 Country Cream ICI #726
Country Cream	Country Cream ICI #726	Raffia Crème ICI #487 Corsican Treasure ICI #424
Desert Sand	Keratin 2863W	Gull 2861W
Everest	Helium 3161W	Ivanhoe 3162W

Linen	Wash Basin 3211W	Carbon 3212W
Peach	Golde Apricot 7811W	Desert Edge 7824M
Pebblestone Clay	Johnston 2833M	Duck Down 2831W
Raffia Crème	Raffia Crème ICI#487	Country Cream ICI #726 Corsican Treasure ICI #424
Sage	Disquiet 2952W	Dwindled 2951W
Sandtone	Knott 2742W	Biscotti 2741W
Scottish Thistle	Spider Web 2981W	Dish Water 2982W
Seed Pearl	Seed Pearl ICI #729	Country Cream ICI #726 Raffia Crème ICI #487
Silver Grey	Silver Lining 3171W	Charleston 3172W
Victorian Grey Vintage Grey	Tinman 3232W	Placid 3231W
White	Threshold Grey 8802W	Fired Steel 8794M
White	Chenille White 1102SW with Speckles of Sage MS284SW	Sage MA284SW
Wicker	Star Thistle 2891 W	Knapweed 2893 M

2.6 Fences, Railings

Note: This section does not prevent statutorily required fencing such as pool fencing.

Home

1. Fences may be used to screen condenser/compressor units, pool pumps and related equipment and shall be no higher than the unit(s) itself.
2. Railings or fences are permitted around patio slabs so long as they are wrought iron, aluminum, plastic, concrete or any other harmonious material no higher than 48" at its highest point.
3. Railings or fences are permitted across the front of the home and/or abutting the front walkways so long as they are wrought iron, aluminum, plastic, concrete or any other aesthetically pleasing material no higher than 48" at its highest point.
4. No other fences or railings are permitted.
5. Railings or fences are not permitted on either side lengthwise of the driveways.

Courtyard Villa

1. No fences or railings are permitted on the front of the Courtyard Villa.
2. Should the construction of an addition to a Courtyard Villa require the removal of any section of a neighboring common wall or fence, District Property Management shall be notified. At the cost to Owner, the removed section of a

wall or fence shall be returned to its original form as either a portion of the new construction, where permitted, and/or as a “stand alone” section as it originally existed.

Patio Villa

Other than originally constructed, fences and railings are prohibited.

2.7 Flagpoles

Home, Courtyard Villa, Patio Villa

One (1) flagpole is allowed but shall not exceed a maximum height of twenty two (22) feet and shall not encroach any easements.

2.8 Fountains & Waterfalls

Home, Courtyard Villa, Patio Villa

Fountains and waterfalls shall be consistent with the lot size.

2.9 Front Doors

Courtyard Villa, Patio Villa

The ARC does not review applications regarding front door modifications, including but not limited to, glass inserts, glass side panels, screen doors, storm doors or door color. ARC approval is required if said modification is to increase the width or the height of the door.

- ~~1. Front doors may be modified with glass inserts and glass side panels(s) can be added.~~
- ~~2. Screen doors and storm doors are permitted.~~

Patio Villa

~~No specifications required for front doors as to type or color. Glass/screen doors are permitted.~~

2.10 Garage Doors/Screens

Courtyard Villa

The ARC does not review applications regarding garage door or garage screen modifications to install or remove glass inserts, decorative panels, garage door screen or garage door painting if the chosen color is the color used at the time of original construction. All other exterior painting or modifications to the width/height of the garage door requires ARC approval.

- ~~1. Decorative panels with windows are permitted in garage doors.~~
- ~~2. Screens shall be white, black, charcoal, gray, beige, tan or a color matching the home.~~

Patio Villa

The ARC does not review applications regarding garage door or garage screen modifications to install or remove glass inserts, decorative panels, garage door

screen or garage door painting if the chosen color is the color used at the time of original construction. All other exterior painting of the garage door requires ARC approval. Garage doors shall remain the same size as originally constructed.

2. ~~Decorative panels with windows are permitted in garage doors.~~

3. ~~Garage screens are permitted. Screens shall be white, black, charcoal, gray, beige, tan or a color matching the home.~~

2.11 Landscaping

1. Section 373.185, Florida Statute, provides states: A deed restriction or covenant may not prohibit or be enforced to prohibit any property owner from implementing Florida-friendly landscaping on his or her land. (Effective 7/1/09) Florida-friendly landscaping refers to the utilization of drought tolerant “plants”. It does not mean that sod may be replaced with rocks, decorative stone, pine straw, mulch, pine bark or similar non-plant material. However, those non-plant materials may be used as an accent around said plantings in designated approved landscaping beds.

1. For all requests seeking to replace sod with Florida-friendly plantings, said plantings shall constitute “ground cover” providing full ground coverage to maintain “a lawn appearance” in keeping with the aesthetics of the community. “Ground cover” plantings are those Florida-friendly plantings that grow low to the ground providing a permanent covering. Ground cover shall be fast growing, appropriate to the region and have a mature height one (1) foot or less. Full ground coverage (i.e. providing a “lawn appearance”) shall be achieved within eight (8) months of the ARC Application Form's application's expiration date. The intent is to permit sufficient time for the plants to reach their mature spread. Mulch may be utilized in the interim period between plant installation and mature spread. After the time period identified herein, mulch shall not be visible as the ground coverage shall have filled in the spacing between plantings providing a “lawn appearance.” The Florida-Friendly Landscaping Guide to Plant Selection and Landscape Design provided by the University of Florida, IFAS Extension can be used as a guideline when approving Florida-friendly sod replacements. The following are some examples of acceptable Florida-friendly ground covers: Buglewood, Perennial Peanut, Blue Daze, Algeria Ivy, English Ivy, Twin Flower, Oblongleaf Snakeherb, Creeping Juniper, Horizontal Juniper, Sunshine Mimosa, Mondo Grass, Dwarf Lilyturf, Dwarf Liriope, Turkey Tangle Fogfruit and Capeweed.

2. Refer to Matrix for sod requirements.

3. Refer to Section 2.1B for easement regulations.

4. Owners shall comply with, and be liable for any non-compliance with, the applicable construction plan for the surface water management system pursuant to the approved plan on file with the applicable state water management district.

5. Property owner is liable for any resulting blockage, interruption, or redirection of existing drainage flow, any additional drainage flow or any type of easement encroachment(s).

Home: Existing sod shall only be replaced with sod or other plant material. Rock is not an acceptable replacement for sod or other plant material except as an accent material in approved landscaping beds.

Patio Villa: Existing sod shall only be replaced with sod or other plant material. Rock is not an acceptable replacement for sod or other plant material except as an accent material in approved landscaping beds.

Courtyard Villa: Existing sod may be replaced with sod, other plant material, rocks, or decorative stones; however, the front yard area must include some plant material (planted in the ground) for aesthetic purposes.

2.12 Lights – Outdoor

~~Home, Courtyard Villa, Patio Villa~~

~~Outside landscape lighting is permitted but shall not shine into a neighboring residence window.~~

2.13 2.12 Painting of Residence (Base or Trim)

Home

ARC approval is not required if the chosen color is the original color used at the time of original construction. If the chosen color is not the original color at time of construction, the homeowner must seek and receive ARC approval to utilize the chosen color. Only solid colors that are harmonious with the surrounding neighborhood and will benefit and enhance the entire subdivision in a manner generally consistent with the plan of development thereof shall be approved by the ARC. Hot, electric, neon or bright colors are not permitted.

Courtyard Villa, Patio Villa

When repainting the residence, the color shall be the same as the original color used at the time of original construction. When repainting shutters or front doors, no owner shall undertake any exterior painting which would substantially alter the exterior appearance of their home. Hot, electric, neon or bright colors are not permitted.

2.14 2.13 Roof

Courtyard Villa, Patio Villa

Re-Shingling/Re-Roofing Guidelines

1. When re-shingling a Courtyard Villa, the original color shall be used. If the original color is not available, a color closely resembling the original color shall be used.
2. Shingles can be upgraded to an architectural style shingle.

Patio Villa

Re Shingling/Re Roofing Guidelines

1. When re-shingling a Patio Villa the original color shall be used. If the original color is not available, a color closely resembling the original color shall be used.
2. The shingles can be upgraded to an architectural style shingle or comparable.

2.15 2.14 Shutters

Courtyard Villa, Patio Villa

Shutters shall be a color harmonious with the home and surrounding homes. mounted in an unhinged fixed position. Hot, electric, neon or bright colors are not permitted.

2.16 2.15 Tree Removal

Home

No tree with a trunk four (4) inches or more in diameter shall be removed or effectively removed through excessive injury without first obtaining permission from the ARC. Palms are not considered a tree for purposes of this regulation. ARC does not review applications for palm removal. For canopy trees, the District's arborist will examine the tree and submit a report to the ARC. The ARC will review the documentation and their decision will be determined on a case by case basis.

Generally, a tree that matures at over 30 feet and is not a palm or conifer is considered a canopy tree. Per the arborist, below is a list of the most commonly used canopy trees:

- Live Oak, Shumard Oak
- Laurel Oak (not recommended by the arborist – short lived and inclined to get infested with mistletoe)
- Southern Magnolia, Little Gem Magnolia (recommended for confined areas)
- Drake Elm or Chinese Elm
- Allee Elm
- Winged Elm

- Red Maple (used in The Villages but does not do well in some areas due to poor soil or dry conditions)

DRAFT

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Richard J. Baier, District Manager

DATE: 2/6/2019

SUBJECT: **Operating Policies and Procedures**

ISSUE: Overview to be provided at meeting. Draft Rule Amendment Attached.

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ Draft Rule Amendment	Cover Memo

DRAFT GENERAL AND PROCEDURAL RULES
TABLE OF CONTENTS

- 1.1 General Introduction**
- 1.2 Standards of Civil Discourse**
- 1.3 Board of Supervisors; District Manager, Officers and Voting**
- 1.4 Public Information and Inspection of Records**
- 1.5 Meetings and Workshops**
- 1.6 Rulemaking Proceedings**
- 1.7 Decisions Determining Substantial Interests**
- 1.8 Purchasing Policies and Procedures**
- 1.9 Effective Date**

1.1 General Introduction.

- 1) The Village Community Development District No. X (the "District") was created pursuant to the provisions of Chapter 190, Florida Statutes, to provide for the ownership, operation, maintenance, and provision of various capital facilities and services within its jurisdiction. The purpose of these Rules of Procedure (the "Rules") is to describe the general operations of the District. Any conflict or need for clarification arising out of the following Rules shall be resolved, where applicable, by law. Any amendments to the Rules shall be administratively prepared and adopted by the Board of Supervisors. These Rules are adopted to guide the District through its primary operations and functions. They are designed to provide the structure needed to conduct District business while also maintaining the flexibility needed to efficiently and effectively carry out the public business as circumstances may dictate.
- 2) Definitions located within any section of these Rules shall be applicable within all other sections, unless specifically stated to the contrary.

1.2 Standards of Civil Discourse.

- 1) The District encourages citizen participation in the democratic process and recognizes and protects the right of freedom of speech afforded to all. As the Board conducts the business of the District, rules of civility shall apply. District Board Supervisors, Staff members, and members of the public are to respectfully communicate. Persons shall speak only when recognized by the Board Chair and, at that time, refrain from engaging in personal attacks or derogatory or offensive language. Outbursts will not be tolerated and those who do not conduct themselves in a respectful and lawful manner shall be subject to removal. It shall be the responsibility of each individual to demonstrate civility.

1.3 Board of Supervisors; District Manager, Officers, and Voting.

- 1) Board of Supervisors. The Board of Supervisors of the District (the "Board") shall exercise the powers granted to the District. The Board shall consist of five members. Members of the Board must be residents of Florida and citizens of the United States. Qualified Board Supervisors must reside in the District.
- 2) District Manager. The Board shall employ a District Manager. The District Manager shall have charge and supervision of the works of the district and shall be responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of state statutes, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed within the legal purview of the Board.
- 3) Term of Supervisors. Board Supervisors shall hold office pursuant to Section 190.006, Florida Statutes. If, during the term of office of any Board Supervisor(s), one or more vacancies occur, the remaining member(s) of the Board shall fill the vacancies by appointment for the remainder of the unexpired term(s).

a. Options for Filling Vacancies

i. Application Process for Vacancy

1. Vacancy will be advertised to residents of the District to solicit qualified applicants.
2. A special meeting will be scheduled to conduct applicant interviews.
3. A bank of questions will be developed by the District Manager for random selection during the interviews.
4. At the completion of interviews, the Board will utilize a ballot to cast their vote for the respective applicants which shall be signed by each Board Supervisor; individual ballot results will be announced by the District Clerk.
5. Applicant with the majority vote will be sworn into office following a formal nomination and majority vote by the Board.

ii. Recommended replacement by outgoing supervisor.

- 4) Compensation. In accordance with Section 190.006, Florida Statutes, each Board Supervisor is entitled to receive an amount not to exceed \$200 per meeting of the Board of Supervisors, not to exceed \$4,800 annually.
- 5) Vacancies; Quorum. Three members of the Board physically present in the same location shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. When a quorum is not present, the meeting shall be cancelled in accordance with the Board's established policy. However, if three or more vacancies occur at the same time, a quorum is not necessary to fill the vacancies. Action taken by the Board shall be upon a majority vote of the members present, unless otherwise provided in these Rules or required by State Statutes.

- 6) Officers. At any Board meeting held after each election where the newly elected members take office, the Board may select a chair, vice chair, treasurer and secretary. Such selection may be deferred to subsequent meetings. The District Manager shall serve as secretary and treasurer.

- a. The chair must be a member of the Board. If the chair resigns from that office or ceases to be a member of the Board, the Board shall select a chair to serve the remaining portion of the term, after filling the board vacancy. The chair may be authorized to sign checks and warrants for the District, countersigned by the treasurer or other persons authorized by the Board. The chair may convene and conduct all meetings of the Board. In the event the chair is unable to attend a meeting, the vice chair or other member of the Board may convene and conduct the meeting.

i.Options for Selection of a Board Chair

1. Nomination and majority vote by Board following a general election
2. Rotation of seats
3. Annual or bi-annual review

- b. The vice chair shall be a member of the Board and shall have such duties and responsibilities as specifically designated by the Board from time to time. If the vice chair resigns from that office or ceases to be a member of the Board, the Board shall select a vice chair to serve the remainder of the term, after filling the Board vacancy.

i.Options for Selection of Vice Chair

1. Nomination and majority vote by Board following a general election
2. Rotation of seats
3. Annual or bi-annual review

- 7) Committees. The Board may establish committees of the District or provide representation on established committees by formal motion referencing this Rule, either on a permanent or temporary basis, to perform specifically-designated functions. Committees may include individuals who are not members of the Board, but must be a property owner who maintains permanent residency in the District. Committee representation shall be reviewed annually at the October Board Meeting following the beginning of a new fiscal year. Committee representation will be determined by nomination and majority vote by the Board.
- 8) Record Book. The District shall keep a permanent record book entitled "Record of Proceedings of the Village Community Development District No. X," in which shall be recorded minutes of all meetings, resolutions, proceedings, certificates, bonds and corporate acts.

- 9) Meetings. The Board shall establish a schedule of regular meetings and may also meet upon call of the chair or three Board Supervisors. Nothing herein shall prevent the Board from holding other meetings as it deems necessary or from canceling any regularly scheduled meetings. A previously noticed regular meeting may be canceled, provided that notice of cancellation shall be given in substantially the same manner as notice for the meeting or in such other manner as may provide substantially equivalent notice of cancellation. Meetings will be cancelled in accordance with the Board's policy adopted via resolution. All meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, Florida Statutes.
- 10) Voting Conflict of Interest. The Board shall comply with Section 112.3143, Florida Statutes, so as to ensure the proper disclosure of conflicts of interests on matters coming before the Board for a vote. Nothing in this Rule shall prohibit the Board Supervisor with a voting conflict of interest from voting on a matter. For the purposes of this section, "voting conflict of interest" shall be governed by Chapters 112 and 190, Florida Statutes, as amended from time to time.
- a. When a Board Supervisor knows that he/she has a conflict of interest on a matter coming before the Board, the member should notify the Board's secretary prior to participating in any discussion with the Board on the matter. The member shall publicly announce the conflict of interest at the meeting. This announcement shall appear in the minutes of the meeting. The Board Supervisor may then vote. The Board's secretary shall prepare a memorandum of voting conflict which shall then be signed by the Board Supervisor that had the conflict.
 - b. If a Board Supervisor inadvertently votes on a matter and later learns he or she has a conflict thereon, the member shall immediately notify the Board's secretary. Within fifteen days (15) days of the notification, the member shall file the appropriate memorandum of voting conflict which will be attached to the minutes of the Board meeting during which the vote on the matter occurred. The memorandum shall immediately be provided to other Board Supervisors and shall be read publicly at the next meeting held subsequent to the filing of the written memorandum. The Board Supervisor's vote shall be unaffected by this filing.
- 11) Board Supervisor Conduct. No individual Board Supervisor shall direct the District Manager to perform extensive research, take action on a policy matter, or make representations on behalf of the Board without formal direction from the collective Board of Supervisors at a regularly scheduled Board meeting. Nothing precludes a Board Supervisor from initiating individual correspondence pertaining to the seat they currently hold. Nothing in this Rule is to be construed to limit or restrict a Board Supervisor from acting in his or her official capacity from coordinating with the District Manager in answering or responding to correspondence or communications relative to the business of the District.

1.4 Public Information and Inspection of Records.

- 1) Public Records. All District public records within the meaning of Chapter 119, Florida Statutes, and not otherwise restricted by law, including the "Record of Proceedings of the Village Community Development District No. X," may be copied or inspected at the offices of the District Manager during regular business hours.
- 2) Copies. The custodian of public records upon request shall furnish a copy or a certified copy of a record for a fee as authorized by Florida Statute Chapter 119. Copies of public records shall be made available to the requesting person at a charge of \$.15 per page if not more than 8-1/2 by 14 inches, and for copies in excess of that size at a charge not to exceed the actual cost of reproduction. Certified copies of public records shall be made available at a charge of \$1.00 per page. If the nature or volume of public records requested to be inspected, examined or copied is such as to require extensive use of information technology resources or extensive clerical or supervisory assistance, a special service charge, which shall be reasonable and based on the actual cost incurred, may be charged in addition to the actual cost of duplication.

1.5 Meetings and Workshops.

- 1) Meetings and Workshops. All meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, Florida State Statutes.
- 2) Notice. Except in emergencies, or as otherwise required by State Statutes, at least seven (7) days public notice shall be given of any meeting or workshop of the Board of Supervisors. Public notice shall be given by publication in a newspaper of general circulation in the District and shall state:
 - a. The date, time, and place of the meeting or workshop;
 - b. A brief description of the nature, subjects and purposes of the meeting or workshop;
 - c. The address where persons may obtain a copy of the agenda;
 - d. The notice shall state that if a person decides to seek review of any official decision made at the Board meeting, a record of the proceedings will be required and the person intending to appeal will need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence necessary for the appeal.
 - e. When a previously noticed meeting is canceled, notice of cancellation shall be given in substantially the same manner as notice for the meeting or in any manner that will give adequate notice of cancellation.
- 3) Agenda. The District Manager shall prepare a notice of the meeting or workshop and an agenda. The agenda shall be available to the public in the offices of the District Manager prior to each regularly scheduled meeting or workshop and on the website. Minutes shall be taken, and reviewed and approved by the Board at a subsequent meeting. In accordance with State Statutes, the agenda and available supporting documentation will be available electronically seven days in advance of the meeting.
- 4) Agenda Format.
 - a. Call to Order
 - i. Roll Call
 - ii. Pledge of Allegiance
 - iii. Observation of Moment of Silence
 - iv. Welcome Meeting Attendees
 - v. Audience Comments
 - b. Consent Agenda
 - c. New Business
 - d. Old Business
 - e. Public Hearings
 - f. Public Hearings
 - g. Informational Items Only
 - h. Reports and Input
 - i. District Manager Reports
 - ii. District Counsel Reports

- iii. Supervisor Comments
- iv. Adjourn

- 5) Oath of Office. At the next regularly scheduled meeting following an election, newly elected Board Supervisors shall take and subscribe to the oath of office as prescribed by Section 876.05 of Florida State Statutes. The oath office shall be administered by the District Clerk immediately following the call to order of the meeting.
- 6) Procedures for Including Items on Agenda. Items to be included on the agenda may be submitted by an individual Board Supervisor and will be addressed under the “Supervisor Comments” section of the agenda for discussion purposes; if formal action is desired, the item will be presented on the agenda at the following regularly scheduled Board Meeting. In order for an item to be included on the agenda, a request must be submitted to the District Manager no later than 10 business days in advance of the next regularly scheduled meeting.
- 7) Consent Agenda. Content of items on the consent agenda shall be limited to routine items that normally do not require discussion such as the minutes, resolutions, payment requests and reports from committees, etc. During the reading of the consent agenda, any Board Supervisor, the District Manager, or member of the public, may pull an item for separate discussion.
- 8) Resolutions. An enacted resolution is an internal legislative act that is a formal statement of policy concerning matters of special or temporary character. Board action shall be taken by resolution when required by law and in those instances where an expression of policy more formal than a motion is desired. All resolutions shall be reduced to writing.
- 9) Motions. An enacted motion is a form of action taken by the Board to direct that a specific action be taken on behalf of the District. A motion, once approved and entered into the record, is the equivalent of a Resolution in those instances where a resolution is not required by law. All motions shall be made and seconded before debate.
 - a. A motion is to be worded in a concise, unambiguous, and complete form.
 - b. No speech is to be made in reference to a motion when it is introduced. There will be no debate until a motion has been seconded and, if requested by a Board Supervisor, the question stated by the Board Chair or District Clerk.
 - c. When the question has been stated, it is before the Board and mover is entitled to the floor.
- 10) Reconsideration of Action Previously Taken. A motion to reconsider shall be allowed at any time by any Board Supervisor who voted on the prevailing side, during a meeting, except when a motion on some other subject is pending.

- 11) Rescinding Action Previously Taken. Board action may be rescinded by a majority vote if the motion to reconsider is made by a Board Supervisor who voted on the prevailing side. After a motion to reconsider has been adopted by a majority vote, any Board Supervisor may move to rescind action previously taken.
- 12) Roll Call Vote. Roll call votes will be conducted at the prerogative of the Board Chair, or at the District Manager's request to the Board Chair.
- 13) Public Comment. The Board shall conduct public comment in accordance with Florida State Statutes. Members of the audience making public comment shall approach the microphone, state their name and address for the record, and address all comments to the Board Chair. The following Public Participation Policy was adopted by the Board of Supervisors via a Resolution and shall apply to meetings of District boards or committees as provided herein unless otherwise required by State Statutes;
 - a. Citizen's Rights
 - i. Right to be Heard: Members of the public shall be given a reasonable opportunity to be heard on a proposition before a District board except as provided for below. Public input shall generally be limited to three (3) minutes for each speaker and a total of thirty (30) minutes for public comment relating to any particular proposition, with the Board Chair having the option to allow additional time for good cause shown after consideration of the circumstances.
 - ii. Group or Faction Representatives: At meetings in which a large number of individuals are in attendance, the Board Chair may ask for a show of hands to identify individuals who wish to address the board. If a large number of individuals wish to be heard, the Board Chair may require individuals to complete speaker cards that include the individual's name, address, the proposition on which they wish to be heard, the individual's position on the proposition (i.e., "for," "against," or "undecided"). In the event large groups or factions of individuals desire to speak (i.e., consisting of more than five individuals), the Board Chair may require each group or faction to designate a representative to speak on behalf of such group or faction but shall allow such representative at least ten minutes to address the board.
 - b. This right does not apply to;
 - i. An official act that must be taken to deal with an emergency situation affecting the public health, welfare, or safety, if compliance with the requirements would cause an unreasonable delay in the ability of the board to act;
 - ii. An official act involving no more than a ministerial act, including, but not limited to, approval of minutes and ceremonial proclamations;

- iii. A meeting that is exempt from §286.011; or
- iv. A meeting during which the board is acting in a quasi-judicial capacity.
This paragraph does not affect the right of a person to be heard as otherwise provided by law.

14) Public Hearings/ Quasi-Judicial Hearings

a. Order of Testimony

- i. The Board Chair shall announce the Public Hearing and ask staff to review the subject of the public hearing.
- ii. The Board Chair shall then open the public hearing and receive comment from anyone in attendance.
- iii. Persons wishing to provide comment shall approach the microphone, state name and address for the record, and make his/her comments.
- iv. Comments shall be limited to the subject of the public hearing only.
- v. Upon determination of no additional public comment, the Board Chair shall close the Public Hearing and restrict discussion to members of the Board and staff.
- vi. Upon completion of the discussion, the Board Chair shall entertain such action as the Board may desire.

b. Ex- Parte Communication

- i. Board Supervisors became subject to additional constitutional and statutory prohibitions when conducting quasi-judicial proceedings. When a Board acts in a quasi-judicial capacity, its Board Supervisors are prohibited from receiving ex-parte communications. This means a Board Supervisor cannot receive information or participate in communications about such matter without providing notice and opportunity for the other party to be heard at the same time. If a Board Supervisor conducts ex-parte (i.e. one-on-one) communications they could be accused of violating an individual's constitutional right to due process of law.

15) Receipt of Notice. Persons wishing to receive, by mail, notices or agendas of meetings, may advise the District Manager or secretary at the Board's office. Such persons shall furnish a mailing address in writing and may be required to pay the cost of copying and mailing.

16) Emergency Meeting. The chair, or the vice-chair if the chair is unavailable, may convene an emergency meeting of the Board without first having complied with Subsections (1), (2), and (3), to act on emergency matters that may affect the public health, safety, or welfare. Whenever possible, the District Manager shall make reasonable efforts to notify all Board Supervisors of an emergency meeting 24 hours in advance. Reasonable efforts may include telephone notification. After an emergency meeting, the Board shall publish in a newspaper of general circulation in the District, the time, date, and place of the emergency meeting, the reasons why an emergency meeting was necessary, and a description of the action taken. Whenever an emergency meeting is called, the District Manager shall be responsible for notifying at least one newspaper of general circulation in the District. Actions taken at an emergency meeting may be ratified by the Board at a regularly noticed meeting subsequently held.

- 17) Budget Hearing; Budget Amendment. Notice of hearing on the annual budget(s) shall be in accordance with Section 190.008, Florida Statutes. Once adopted in accordance with Section 190.008, Florida Statutes, the annual budget(s) may be amended from time to time by action of the Board. Approval of invoices by the Board in excess of the funds allocated to a particular budgeted line item shall serve to amend the budgeted line item. All expenditures in excess of 15%, or \$25,000, of any line item in the budget must be approved by the Board in advance of incurring such expense; however, in the case of an emergency expenditure affecting the health, safety or welfare of the District, its residents, or landowners, such expenditures must be approved in advance by the District Manager.
- 18) Continuances. Any meeting of the Board or any item or matter included on the agenda or coming before the Board at a noticed meeting may be continued without re-notice or re-advertising provided that the continuance is to a specified date, time and location publicly announced at the Board meeting where the item or matter came before the Board.

1.6 Rulemaking Proceedings.

- 1) Commencement of Proceedings. Proceedings held for adoption, amendment, or repeal of a District rule shall be conducted according to the applicable provisions of Chapter 120, Florida Statutes, and these Rules. Rulemaking proceedings shall be deemed to have been initiated upon publication of notice by the District.
- 2) Notice of Rule Development. Except when the intended action is the repeal of a rule, the District shall provide notice of the development of proposed rules by publication of a notice of rule development in a newspaper of general circulation in the District before providing notice of a proposed rule as required by paragraph (3). The notice of rule development shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the specific legal authority for the proposed rule, and a statement of how a person may promptly obtain a copy of any preliminary draft, if available. All rules should be drafted in accordance with Chapter 120, F.S.
- 3) Notice of Proceedings and Proposed Rules. Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, the District shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action; a reference to the specific rulemaking authority pursuant to which the rule is adopted; and a reference to the section or subsection of the Florida Statutes or the Laws of Florida being implemented, interpreted, or made specific. The notice shall include a summary of the District's statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in Section 120.541(2), and a statement that any person who wishes to provide the District with a lower cost regulatory alternative as provided by Section 120.541(1), must do so in writing within 21 days after publication of the notice. The notice must state the procedure for requesting a public hearing on the proposed rule unless one is otherwise scheduled. Except when the intended action is the repeal of a rule, the notice shall include a reference both to the date on which and to the place where the notice of rule development that is required by subsection (2) appeared.
 - a. The notice shall be published in a newspaper of general circulation in the District not less than 28 days prior to the intended action. The proposed rule shall be available for inspection and copying by the public at the time of the publication of notice.
 - b. The notice shall be mailed to all persons named in the proposed rule. Any person may file a written request with the District Manager or secretary at the Board's office to receive notice by mail of District proceedings to adopt, amend or repeal a rule. Such persons must furnish a mailing address and may be required to pay the cost of copying and mailing. Notice will then be mailed to all persons whom, at least 14 days prior to such mailing, have made requests of the district for advance notice of its proceedings.

- 4) Rule Development Workshops. Whenever requested in writing by any affected person, the District must either conduct a rule development workshop prior to proposing rules for adoption or the Board Chair must explain in writing why a workshop is unnecessary. The District may initiate a rule development workshop but is not required to do so.
- 5) Petitions to Initiate Rulemaking. All petitions for the initiation of rulemaking proceedings pursuant to Section 120.54(7), Florida Statutes, must contain the name, address, and telephone number of the Petitioner, specific action requested, specific reason for adoption, amendment, or repeal, the date submitted, and shall specify the text of the proposed rule and the facts showing that the Petitioner is regulated by the District or has a substantial interest in the rule or action requested. Petitions to initiate rulemaking shall be filed with the District. The Board shall then act on the petition in accordance with Section 120.54(7), Florida Statutes (1999), except that copies of the petition shall not be sent to the Administrative Procedures Committee, and notice may be given in a newspaper of general circulation in the county in which the District is located.
- 6) Rulemaking Materials. After the publication of the notice to initiate rulemaking, the Board shall make available for public inspection and shall provide, upon request and payment of cost of copies, the following materials:
 - a. The text of the proposed rule, or any amendment or repeal of any existing rules;
 - b. A detailed written statement of the facts and circumstances justifying the proposed rule;
 - c. A copy of the statement of estimated regulatory costs if required by Section 120.541; and
 - d. The published notice.
- 7) Rulemaking Proceedings - No Hearing. When no hearing is requested and the Board chooses not to initiate a hearing on its own, or if the rule relates exclusively to organization, practice or procedure, the Board may direct the proposed rule be filed with the District Office no less than twenty-eight (28) days following notice. Such direction may be given by the Board either before initiating the rule-adoption process or after the expiration of the twenty-one (21) days during which affected persons may request a hearing.
- 8) Rulemaking Proceedings - Hearing. If the proposed rule does not relate exclusively to organization, practice or procedure, the District shall provide (upon request) a public hearing for the presentation of evidence, argument and oral statements, within the reasonable conditions and limitations imposed by the District to avoid duplication, irrelevant comments, unnecessary delay or disruption of the proceedings. Any affected person may request a hearing within twenty-one (21) days after the date of publication of the notice of intent to adopt, amend or repeal a rule.
- 9) Request for a Public Hearing. A request for a public hearing shall be in writing and shall specify how the person requesting the public hearing would be affected by the proposed rule. The request shall be submitted to the District within 21 days after notice of intent to

adopt, amend, or repeal the rule is published as required by law, in accordance with the procedure for submitting requests for public hearing stated in the notice of intent to adopt, amend, or repeal the rule.

- a. If the notice of intent to adopt, amend, or repeal a rule did not notice a public hearing and the District determines to hold a public hearing, the District shall publish notice of a public hearing in a newspaper of general circulation within the District at least 7 days before the scheduled public hearing. The notice shall specify the date, time, and location of the public hearing, and the name, address, and telephone number of the District contact person who can provide information about the public hearing.
 - b. Written statements may be submitted by any person within a specified period of time prior to or following the public hearing. All timely submitted written statements shall be considered by the District and made a part of the rulemaking record.
- 10) Emergency Rule Adoption. The Board may adopt an emergency rule if it finds that immediate danger to the public health, safety, or welfare exists which requires immediate action. Prior to the adoption of an emergency rule, the District Manager shall make reasonable efforts to notify a newspaper of general circulation in the District. Notice of emergency rules shall be published as soon as practical in a newspaper of general circulation in the District. The District may use any procedure which is fair under the circumstances in the adoption of an emergency rule as long as it protects the public interest as determined by the District and otherwise complies with these provisions
- 11) Negotiated Rulemaking. The District may use negotiated rulemaking in developing and adopting rules pursuant to Section 120.54, Florida Statutes.
- 12) Variances and Waivers. Variances and waivers from District rules may be granted subject to the provisions and limitations contained in Section 120.542, Florida Statutes.

1.7 Decisions Determining Substantial Interests.

- 1) Conduct of Proceedings. Proceedings may be held by the District in response to a written request submitted by a substantially affected person within fourteen (14) days after written notice or published notice of District action or notice of District intent to render a decision. Notice of both action taken by the District and the District's intent to render a decision shall state the time limit for requesting a hearing and shall reference the District's procedural rules. If a hearing is held, the Board Chair shall designate any member of the Board (including the Chair), District Manager, District General Counsel, or other person to conduct the hearing.
 - a. The person conducting the hearing may:
 - i. Administer oaths and affirmations;
 - ii. Rule upon offers of proof and receive relevant evidence;
 - iii. Regulate the course of the hearing, including any prehearing matters;
 - iv. Enter orders;
 - v. Make or receive offers of settlement, stipulation, and adjustment.
 - b. The person conducting the hearing shall, within thirty (30) days after the hearing or receipt of the hearing transcript, whichever is later, file a recommended order which shall include a caption, time and place of hearing, appearances entered at the hearing, statement of the issues, findings of fact and conclusions of law, separately stated, and a recommendation for final District action.
 - c. The District shall issue a final order within forty-five (45) days:
 - i. After the hearing is concluded, if conducted by the Board;
 - ii. After a recommended order is submitted to the Board and mailed to all parties, if the hearing is conducted by persons other than the Board; or
 - iii. After the Board has received the written and oral material it has authorized to be submitted, if there has been no hearing.
- 2) Eminent Domain. After determining the need to exercise the power of eminent domain pursuant to Subsection 190.11(11), Florida Statutes, the District shall follow those procedures prescribed in Chapters 73 and 74, Florida Statutes. Prior to exercising the power of eminent domain, the District shall:
 - a. Adopt a resolution identifying the property to be taken;

- i. If the property is beyond the boundaries of the District, obtain approval by resolution of the governing body of the county if taking will occur in an unincorporated area, or of the municipality if the taking will occur within the municipality.

1.8 Purchasing Policies and Procedures.

- 1) The Village Community Development District No. X's purchasing policies and procedures will be conducted in accordance with the authority given in Chapter 190 of Florida State Statutes and all other applicable laws.

1.9 Effective Date.

- 1) These Rules shall be effective _____, 2019, except that no election of officers required by these Rules shall be required until after the next regular election for the Board of Supervisors.

Specific Authority:

Chapter 190, F.S. and other applicable laws

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Mark LaRock, Purchasing Director; Melissa Schaar, Buyer

DATE: 1/11/2019

SUBJECT: **Award of BID #19B-002 Multi Modal Path Tunnel Guide Sign Project**

ISSUE:

Review and approval of recommendation to award Invitation to Bid (ITB) #19B-002 Multi-Modal Path Tunnel Guide Sign Projects: Districts 1, 2, 3, 4, VCCDD & SLCDD and as needed in Various Districts

ANALYSIS/INFORMATION:

On November 16, 2018, Staff issued an Invitation to Bid for Multi-Modal Path Tunnel Guide Sign Projects: Districts 1, 2, 3, 4, VCCDD & SLCDD and as needed in Various Districts. These services will consist of tunnel guide sign production, removal, install, and repair services for a specific project (Exhibit A) and on an as needed basis (Exhibit B). Multiple Districts were included in this solicitation so there would be an economy of scale benefit. Two (2) Vendors (Central Florida Street Signs, LLC and Signs of Tampa Bay, LLC) attended the mandatory Pre-Bid Conference with both submitting their responses to the ITB.

Bid evaluation to determine the lowest responsive and responsible bidder included the combined grand total bid grand total and reference checks which were positive. Central Florida Street Signs, LLC were determined to be the lowest, most responsive and responsible bid submitted.

The initial term of this Agreement with fixed and firm pricing shall be January 11, 2019 through September 30, 2021 with the option to renew for two (2) additional one (1) year periods.

Vendors	District #2 Project Cost	*Combined Bid Grand Total
Central Florida Street Signs, LLC	\$3,118.90	\$71,328.40
Signs of Tampa Bay, LLC	\$3,587.82	\$81,489.89

*COMBINED BID GRAND TOTAL was the basis of award and included the total project pricing of Districts 1, 2, 3, 4, VCCDD & SLCDD and the Various Districts as needed pricing

BUDGET IMPACT:

Funds are available in the FY2018-19 budget.

STAFF RECOMMENDATION:

Staff is requesting approval of a recommendation to award for the District #2 portion of ITB #19B-002 Multi Modal Path Tunnel Guide Sign Project to Central Florida Street Signs, LLC utilizing the total project pricing reflected on Exhibit A in the amount of \$3,118.90 and for the unit pricing indicated in Exhibit B for as needed signage projects.

MOTION:

Motion to award the District #2 portion of ITB #19B-002 to Central Florida Street Signs, LLC for the Multi Modal Path Tunnel Guide Sign Project utilizing the total project pricing reflected on Exhibit A in the amount of \$3,118.90 and for the unit pricing indicated in Exhibit B for as needed signage projects; and authorize Chairman/Vice Chairman to sign the Agreement.

ATTACHMENTS:

Description	Type
▣ 19B-002 Agreement	Exhibit
▣ Exhibit A	Exhibit
▣ Exhibit B	Exhibit

**AGREEMENT FOR SERVICES BETWEEN
VILLAGE COMMUNITY DEVELOPMENT DISTRICT 2 AND
CENTRAL FLORIDA STREET SIGNS FOR
MULTI-MODAL PATH TUNNEL GUIDE SIGN PROJECTS
BID #19B-002**

THIS AGREEMENT is made this 11th day of January 2019, by and between **VILLAGE COMMUNITY DEVELOPMENT DISTRICT #2** (hereafter referred to as "DISTRICT"), whose address is 984 Old Mill Run, The Villages, Florida 32162, The Villages, Florida 32162, and **Central Florida Street Signs, LLC** (hereafter referred to as "CONTRACTOR"), whose address is 1444N US Hwy 1, Ormond Beach, FL 32174.

RECITALS

WHEREAS, the DISTRICT owns or operates certain real property requiring install of multi-modal path tunnel guide signage, and wishes to enter into an agreement with a party capable of providing suitable services; and

WHEREAS, CONTRACTOR provides said services and wishes to enter into an agreement whereby the CONTRACTOR performs services for the DISTRICT in consideration of payments from the DISTRICT to the CONTRACTOR;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is agreed as follows:

1. SERVICES BY CONTRACTOR

- 1.1 CONTRACTOR, for and in consideration of the payments hereinafter specified and agreed to be made by DISTRICT, hereby covenants and agrees to furnish and deliver all materials, to do and perform all the work, equipment and labor required for the multi-modal tunnel guide sign project, Invitation to Bid (BID) #19B-002, hereinafter referred to as BID. Specifications and other Agreement Documents, as defined in said BID, and all other related documents cited in the above stated BID are hereby made part of this Agreement as fully and with the same effect as if the same has been set forth at length in the body of this Agreement.
- 1.2 All maintenance and repair of equipment shall be the responsibility of the CONTRACTOR, and such maintenance and repairs shall not interfere with completion of required services to be provided pursuant to this Agreement.
- 1.3 The CONTRACTOR shall collect and dispose of all trash, litter, debris, refuse and discarded materials resulting from CONTRACTOR's operations, including site clean-up and policing on a daily basis. The CONTRACTOR shall remove or contract for the removal of debris and refuse in such a manner that no unsightly, unsanitary, or hazardous accumulations occur. The CONTRACTOR shall ensure that all handling and disposal of refuse materials performed pursuant to this Agreement is performed in compliance with all local, state and federal regulations. The CONTRACTOR shall provide CONTRACTOR's own dumpster(s) for the storage of such material, which shall be located in approved areas designated by the DISTRICT. The use of DISTRICT's dumpster(s) for any refuse disposal by the CONTRACTOR is strictly prohibited.
- 1.4 All CONTRACTOR and Sub-Contractor personnel shall wear personal protective equipment in the performance of their duties to include safety vests, protective eye wear or face shields, respiratory protection as necessary, gloves and protective clothing.
- 1.5 CONTRACTOR shall be responsible for adhering to all local, state and federal safety guidelines and observe all safety precautions when performing services on DISTRICT property, roadways and right-of-ways to include safe location of parked vehicles, signage, use of safety cones, flag personnel as necessary, use of safety vests on all personnel and vehicles which are clearly identifiable as belonging to the CONTRACTOR.

- 1.6 CONTRACTOR acknowledges that the public may associate the CONTRACTOR as an employee of the DISTRICT while the CONTRACTOR performs services on the DISTRICT's property. CONTRACTOR agrees to conduct its services and supervise its employees in a way not detrimental to the DISTRICT's business operation. DISTRICT reserves the right to approve dress codes for the CONTRACTOR's employees.
- 1.7 CONTRACTOR shall comply with all applicable governmental statutes, rules, regulations and orders and any amendments and modifications thereto.
- 1.8 As per State of Florida Executive Order Number 11-116, the CONTRACTOR identified in this Agreement shall utilize the U.S. Department of Homeland Security's E-Verify system to verify employment eligibility of: all persons employed during the Agreement term by the CONTRACTOR to perform employment duties pursuant to the Agreement, within Florida; and all persons, including subcontractors, assigned by the CONTRACTOR to perform work pursuant to the Agreement with the DISTRICT. (<http://www.uscis.gov/e-verify>) Additionally, the CONTRACTOR shall include a provision in all subcontracts that requires all subcontractors to utilize the U.S. Department of Homeland Security's E-Verify system to verify employment eligibility of: all persons employed during the Agreement term by the CONTRACTOR to perform work or provide services pursuant to this Agreement with the DISTRICT.

2. PAYMENT

- 2.1 In consideration of the services provided by the CONTRACTOR pursuant to this Agreement, DISTRICT agrees to pay to CONTRACTOR the "UNIT PRICES" submitted by CONTRACTOR as a result of CONTRACTOR's response to BID #19B-002 as provided for in the specific project identified in "Exhibit A" to this Agreement, and the "UNIT PRICES" for any future As Needed Installs identified in "Exhibit B" to this Agreement.
- 2.2 Invoices shall be submitted no later than the first of the month for the services performed the preceding month. Per Chapter 218.74(1), an invoice from the CONTRACTOR shall be considered as received when it has been stamped as such at the District Property Management Department, 1071 Canal Street, The Villages, Florida 32162. Payment by the DISTRICT will be made no later than forty-five (45) business days after the Application and Certificate for Payment (AIA Document G702) has been certified by the DISTRICT representative, per the "Local Government Prompt Payment Act", Florida Statutes, Chapter 218.735.
- 2.3 If payment is not made by the DISTRICT to the CONTRACTOR than forty-five (45) business days, CONTRACTOR may assess a late charge for the lesser of 1% per month, or the maximum rate permitted by law.
- 2.4 The DISTRICT agrees to pay the CONTRACTOR for additional work performed by the CONTRACTOR pursuant to written orders placed by the DISTRICT, at a rate equal to component unit costs of labor and equipment charged by the CONTRACTOR under the terms of this Agreement.

3. AGREEMENT DOCUMENTS

The Agreement Documents, which comprise the entire Agreement between DISTRICT and CONTRACTOR and which are made part hereof by this reference, consist of the following:

- 3.1 Invitation to Bid
- 3.2 Instructions, Terms, and Conditions
- 3.3 Bid Forms
- 3.4 Bidder's Certification
- 3.5 Statement of Terms and Conditions
- 3.6 Drug Free Workplace Certificate
- 3.7 Statement of Contractor's Experience, Equipment & Personnel
- 3.8 E-Verify Contractor/Subcontractor Affidavit
- 3.9 Scope of Work / Specifications
- 3.10 Plans / Drawings

- 3.11 Agreement
- 3.12 Permits / Licenses
- 3.13 All Addenda Issued Prior to Bid Opening
- 3.14 All Modifications and Change Orders Issued
- 3.15 Notice of Award / Notice to Proceed

4. TERM

The term of this Agreement shall be January 11, 2019 through September 30, 2021, with the option to renew for two (2) additional one (1) year periods. Following completion of the initial term each renewal period shall automatically occur on the anniversary date (agreement effective date) unless either party provides a minimum ninety (90) day written notice of non-renewal. **The prices proposed by the Contractor shall remain fixed and firm for the initial term of the contract.** After initial term, the Contractor will meet with Purchasing and DPM staff 60 days prior to the end of the initial term, to negotiate an increase or decrease to the current awarded pricing to become effective for the following October 1st. The negotiated price change at the end of the initial term shall remain firm for the remainder of the two (2) additional one (1) year renewals. No increase will exceed 3%.

5. INSURANCE

- 5.1 **General Liability.** CONTRACTOR shall obtain, and maintain throughout the life of the Agreement, General Liability Insurance in an amount no less than \$1,000,000 per occurrence and \$2,000,000 general aggregate for Bodily Injury and Property Damage. Insurance shall protect the CONTRACTOR, sub consultants and subcontractors from claims for damage for personal injury, including accidental death, as well as claims for property damages which may arise from operations under the Agreement. DISTRICT(s) shall be named as Additional Insured.
- 5.2 **Automobile Liability Insurance** covering all automobiles and trucks the CONTRACTOR may use in connection with this Agreement. The limit of liability for this coverage shall be a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. This is to include owned, hired, and non-owned vehicles. DISTRICT(s) shall be named as Additional Insured.
- 5.3 **Excess Liability Insurance (Umbrella Policy)** may compensate for a deficiency in general liability or automobile insurance coverage limits.
- 5.4 **Waiver of Subrogation:** By entering into any agreement as a result of this BID , CONTRACTOR agrees to a Waiver of Subrogation for each policy required above.
- 5.5 **Workers' Compensation Insurance, as required by the State of Florida.** As required by the State of Florida. CONTRACTOR and any sub consultants or subcontractors shall comply fully with the Florida Worker's Compensation Law. CONTRACTOR must provide certificate of insurance showing Worker's Compensation coverage.
- 5.6 **Certificate(s) shall be dated and show:**
 - 5.6.1 The name of the insured CONTRACTOR, the specified job by name and/or RFP number, the name of the insurer, the number of the policy, its effective date and its termination date.
 - 5.6.2 Statement that the insurer will mail notice to the DISTRICT at least thirty (30) days prior to any material changes in provisions or cancellation of the policy.
 - 5.6.3 Subrogation of Waiver clause.
 - 5.6.4 The Village Community Development Districts and any other governmental agencies using this Agreement in cooperation with the DISTRICT shall be a named additional insured on Public Liability Insurance and Automobile Liability Insurance.
 - 5.6.5 The CONTRACTOR shall require of each its sub consultants and/or subcontractors to procure and maintain during the life of its subcontract, insurance of the type specified above or insure the

activities of its sub consultants and/or subcontractors in its policy as described above.

5.6.6 All insurance policies shall be written on companies authorized to do business in the State of Florida.

6. SELF HELP BY DISTRICT

- 6.1 Within three (3) calendar days (72 hours) after being notified by DISTRICT in writing of defective or unacceptable work, if the CONTRACTOR fails to correct such work, DISTRICT may cause the unacceptable or defective work to be corrected. If the DISTRICT corrects the work, the DISTRICT shall be entitled to deduct from any monies due, or which may become due to CONTRACTOR, the reasonable cost of remedying the defective or unacceptable work. Provided, however, if the corrective work cannot reasonably be completed within such three (3) day period, and the CONTRACTOR immediately begins corrective work, and DISTRICT reasonably determines that the CONTRACTOR is diligently pursuing the completion of such corrective work, DISTRICT agrees to allow CONTRACTOR to complete correction of the defective or unacceptable work. In addition, if the CONTRACTOR, for any reason, fails to perform any portion of the services required by the CONTRACTOR pursuant to this Agreement, the DISTRICT shall be entitled to deduct from any monies due or which may become due to CONTRACTOR the actual expenditures that are necessary to complete the services not performed.
- 6.2 All costs and expenses incurred by DISTRICT pursuant to this section shall be deducted from monies due, or which may become due to CONTRACTOR for its obligations herein.
- 6.3 The provisions of this paragraph are cumulative to all other provisions of the Agreement and it is not intended that any deductions in payment taken pursuant to this paragraph shall diminish or waive DISTRICT's right to declare the CONTRACTOR in default in accordance with applicable provisions of the Agreement.

7. TERMINATION BY THE DISTRICT

- 7.1 The performance of work under this Agreement may be terminated by DISTRICT in accordance with this clause in whole or from time to time in part, whenever DISTRICT determines that CONTRACTOR is in default of the terms of this Agreement. Any such termination shall be effected by delivery to CONTRACTOR a Notice of Termination specifying the extent to which performance or work under the Agreement is terminated, and the date the termination becomes effective.
- 7.2 After receipt of a Notice of Termination, and except as otherwise directed, CONTRACTOR shall:
- 7.2.1 Stop work under this Agreement on the date and to the extent specified in the Notice of Termination.
 - 7.2.2 Place no further orders or subcontract for materials, services, or facilities except as may be necessary for completion of such portions of work under this Agreement.
 - 7.2.3 Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.
 - 7.2.4 Settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts, and request the approval or ratification by the DISTRICT to the extent CONTRACTOR may require, which approval or ratification shall be final for all purposes of this clause.
 - 7.2.5 Continue to perform under the terms of the Agreement as to that portion of the work not terminated by the Notice of Termination.
- 7.3 After receipt of a Notice of Termination, CONTRACTOR shall submit to DISTRICT CONTRACTOR's termination claim in satisfactory form. Such claim shall be submitted promptly, but in no event later than one month from the effective date of termination unless one or more extensions in writing are granted by

DISTRICT. No claim will be allowed for any expense incurred by CONTRACTOR to after the receipt of the Notice of Termination and CONTRACTOR shall be deemed to waive any right to any further compensation.

7.4 CONTRACTOR and DISTRICT may agree upon the whole or any part of the amount or amounts to be paid to CONTRACTOR by reason of the total or partial termination of work pursuant to this clause, provided that such agreed amount or amounts, exclusive of settlement costs shall not exceed the total Agreement price as reduced by the expenditures necessary to complete the job covered by this Agreement.

7.5 DISTRICT may, for any reason, terminate performance under this Agreement by the CONTRACTOR for convenience upon thirty (30) days written notice. DISTRICT will not be held responsible for any loss incurred by CONTRACTOR as a result of DISTRICT's election to terminate this Agreement pursuant to this paragraph.

8. OTHER MATTERS

8.1 CONTRACTOR shall not utilize, nor store, any drums of material exceeding 5-gallon containers on any of the DISTRICT's property.

8.2 CONTRACTOR shall maintain complete and current printed Material Safety Data Sheets (MSDS) readily accessible to employees when they are in their work areas, during their work shifts. The CONTRACTOR acknowledges that the DISTRICT shall have no responsibility for making any disclosures to CONTRACTOR's employees or agents.

8.3 The obligations of the CONTRACTOR under this Agreement may not be delegated without the prior written consent of the DISTRICT. The DISTRICT may freely assign this Agreement to any entity acquiring the real estate which is subject to this Agreement.

8.4 In the event of default by any party to this Agreement, the prevailing party shall be entitled to recover from the defaulting party, all costs and expenses, including a reasonable attorney's fee, whether suit be instituted or not, and at the trial court and appellate court level incurred by the prevailing party enforcing its right hereunder.

8.5 The venue for the enforcement, construction or interpretation of this Agreement, shall be the County or Circuit Court for Sumter County, Florida, and CONTRACTOR does hereby specifically waive any "venue privilege" and/or "diversity of citizenship privilege" which it has now, or may have in the future, in connection with the Agreement, or its duties, obligations, or responsibilities or rights hereunder.

8.6 CONTRACTOR does hereby specifically promise and agree to "hold harmless", defend and indemnify the DISTRICT and the agents, servants, employees, officers, and officials thereof from and against any and all liability or responsibility for damage to property or person that may arise in connection with the services to be provided hereunder, including reasonable attorney fees and expenses.

8.7 CONTRACTOR shall not be construed to be the agent, servant or employee of the DISTRICT or of any elected or appointed official thereof, for any purpose whatsoever, and further CONTRACTOR shall have no express or implied authority of any kind or nature whatsoever, to incur any liability, either in contract or on a tort, as the agent, servant or employee of the DISTRICT.

8.8 These Agreement Documents constitute the entire understanding and Agreement between the Parties and supersedes any and all written and oral representations, statements, negotiations, or contracts/agreements previously existing between the Parties with respect to the subject matters of this Agreement. The CONTRACTOR recognizes that any representations, statements, or negotiations made by DISTRICT staff do not suffice to legally bind the DISTRICT in a contractual relationship unless they have been reduced to writing and signed by an authorized DISTRICT representative. This Agreement shall inure to the benefit of and be binding upon the Parties, their respective assigns, and successors in interest.

- 8.9 No amendment to this Agreement shall be effective except those agreed to in writing and signed by both of the parties to this Agreement.
- 8.10 Time is of the essence in the performance of this Agreement. The CONTRACTOR specifically agrees that it will commence operations on the date specified in the Notice to Proceed and that all work to be performed under the provisions of this Agreement shall be done according to specifications, subject only to delays caused through no fault of the CONTRACTOR.

9. CONTRACTOR'S REPRESENTATIONS

- 9.1 CONTRACTOR makes the following representations:
- 9.2 CONTRACTOR has familiarized himself with the nature and extent of the Agreement Documents, work, locality, and all local conditions, and federal, state, and local laws, ordinances, rules, and regulations that in any manner may affect cost, progress, or performance of work.
- 9.3 CONTRACTOR declares that he has visited and examined the site of the work and informed himself fully in regard to all conditions pertaining to the place where the work is to be done, that he has examined the plans for the work and other Agreement Documents relative thereto and has read all the addenda furnished prior to the bid opening, and that CONTRACTOR has satisfied itself relative to the work to be performed.
- 9.4 CONTRACTOR has investigated and is fully informed of the construction and labor conditions, of obstructions to be encountered, of the character, quality and quantities of work to be performed, materials to be furnished, and requirements of the plans and other Agreement Documents.
- 9.5 CONTRACTOR has given the DISTRICT written notice of all conflicts, errors, or discrepancies that he has discovered in the Agreement Documents.
- 9.6 CONTRACTOR declares that submission of a proposal/bid for the work constitutes an incontrovertible representation that the CONTRACTOR has complied with every requirement of this Section, and that the Agreement Documents are sufficient in scope and detail to indicate and convey understanding of all terms and conditions for performance of work.
- 9.7 Equal Opportunity: CONTRACTOR assures that no person shall be discriminated against on the grounds of race, color, creed, national origin, handicap, age or sex, in any activity under this Agreement.
- 9.8 Public Entity Crimes: In accordance with Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal/bid on a contract/agreement with a public entity for the construction or repair of a public building or public work, may not submit proposals/bids on leases or real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list. CONTRACTOR affirmatively represents that neither it or its owners, subcontractor or sub-subcontractor are nor will be on the convicted vendor list during the term of this Agreement.
- 9.9 Public Records Act/Chapter 119 Requirements: The District is a public agency subject to Chapter 119, Florida Statutes. The Contractor shall comply with Florida's Public Records law. Specifically, the Contractor shall:
- 9.9.1 Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform this service;
 - 9.9.2 Provide the agency access to public records at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law;
 - 9.9.3 Ensure that public records that are exempt or that are confidential and exempt from public record requirements are not disclosed except as authorized by law; and

- 9.9.4 Meet all requirements for retaining public records and transfers to the District, at no cost, all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt. All records stored electronically must be provided to the District in a format that is compatible with the current information technology systems of the District.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE
APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE
CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO
THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS
AT:**

**JENNIFER MCQUEARY, DISTRICT CLERK
984 OLD MILL RUN, THE VILLAGES FL 32162
PHONE: 352-751-3939
EMAIL: jennifer.mcqueary@districtgov.org**

IN WITNESS WHEREOF, said DISTRICT has caused this Agreement to be executed in its name by the Chairman / Vice Chairman of the **VILLAGE COMMUNITY DEVELOPMENT DISTRICT #2**, attested by the clerk of said DISTRICT, and **CENTRAL FLORIDA STREET SIGNS, LLC** has caused this Agreement to be executed in its name by its authorized representative, attested to and has caused the seal of said corporation to be hereto attached (if applicable), all on the day and year written above.

**VILLAGE COMMUNITY
DEVELOPMENT DISTRICT #2**

CENTRAL FLORIDA STREET SIGNS, LLC

By: _____

By: _____

Print Name

Print Name

Print Title

Print Title

Date

Date

Attest

Attest

REVISED BID FORM - DISTRICT 2

BID #19B-002 Multi Modal Path Tunnel Guide Sign Project

District 2 Tunnels					
Item	Description	Quantity	Unit	Unit Cost	Total
1	Furnish decorative pole, base and finial (black)	4	EA	\$234.30	\$937.20
2	Furnish Template H Sign Panel	1	EA	\$189.20	\$189.20
3	Furnish Template A Sign Panel	1	EA	\$102.30	\$102.30
4	Furnish Template D Sign Panel	2	EA	\$100.10	\$200.20
5	Install decorative pole and sign panel (Complete)	4	EA	\$331.00	\$1,324.00
6	Remove sign assembly (Complete)	3	EA	\$122.00	\$366.00
Total Project Cost District 2				\$3,118.90	

NOTE(S):

- Bid will be awarded to one Contractor based on the lowest responsible and responsive Bidder. Bid evaluation to establish the lowest responsible and responsive Bidder will be determined utilizing the lowest COMBINED BID GRAND TOTAL and Contractor's References.
- Furnish decorative pole, base and finial (Black) - includes Part # SB-93 base and FIN-A3 finial
- Install decorative pole and sign panel (complete) - unit costs shall include all labor, material, and equipment necessary for the complete installation per the contract. This includes but is not limited to locates, survey, excavation and backfill, foundation, mounts, hardware, MOT, restoration, and any other costs associated with a complete installation.
- Install wall mounted sign panel (complete) - unit costs shall include all labor, material, and equipment necessary for the complete installation per the contract. This includes but is not limited to locates, survey, anchor installation, mounts, hardware, MOT, restoration, and any other costs associated with a complete installation.
- Remove sign assembly (complete) - unit costs shall include all labor, material and equipment costs for the removal of the sign posts, sign panels, hardware and any sign concrete foundations. The poles, hardware and sign panels shall remain property of the owner and shall be delivered to the owner's designated storage area. Any concrete foundations shall be removed from the sign posts and disposed of properly by the contractor. Unit cost of this item shall also include full restoration of landscape or infrastructure disturbed in the performance of the work.
- When completing your bid, do not attach any forms which may contain terms and conditions that conflict with those listed in the District's bid documents. Inclusion of additional terms and conditions such as those which may be on your company's standard forms may result in your bid being declared non-responsive.
- All price information to be used in the Bid review must be on this Bid form.
- District reserves the right to adjust any quantity upward or downward as may be warranted or necessary.

"The undersigned, as Bidder, hereby declares that he/she has informed himself/herself fully in regard to all conditions to the work to be done, and that he/she has examined the BID and Specifications for the work and comments hereto attached. The Bidder agrees, if this Bid is accepted, to contract with the **DISTRICT 2** in the form of an Agreement, to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation, labor and service necessary to complete the work covered by the Bid and Contract Documents for this Project. The Bidder agrees to accept in full compensation for each item the prices named in the schedules incorporated herein.

Bidder agrees to supply the products or services at the prices proposed above in accordance with the terms, conditions and specifications contained in this Bid."

Michael Goff, President
Authorized Agent Name, Title (Print)

Authorized Signature

12/13/2018
Date

Name of Bidder's Firm:

Central Florida Street Signs. LLC

This document must be completed and returned with your Submittal

Village Community Development Districts
Purchasing Department

EXHIBIT A

**BID FORM - VARIOUS DISTRICTS
- As Needed Installs-
ITB #19B-002 Multi Modal Path Tunnel Guide Sign Project**

Item	Description	Unit	Total
1	Furnish decorative pole, base and finial (Black)	EA	\$234.30
2	Furnish decorative pole, base and finial (Green)	EA	\$246.40
3	Furnish Template A Sign Panel	EA	\$102.30
4	Furnish Template B Sign Panel	EA	\$86.90
5	Furnish Template C Sign Panel	EA	\$119.90
6	Furnish Template D Sign Panel	EA	\$100.10
7	Furnish Template E Sign Panel	EA	\$94.60
8	Furnish Template F Sign Panel	EA	\$126.50
9	Furnish Template G Sign Panel	EA	\$163.90
10	Furnish Template H Sign Panel	EA	\$189.20
11	Install decorative pole and sign panel (Complete)	EA	\$331.00
12	Install wall mounted sign panel (Complete)	EA	\$83.00
13	Remove sign assembly (Complete)	EA	\$122.00
Total As Needed Install Cost			\$2,000.10

- * Furnish decorative pole, base and finial (Black) - includes Part # SB-93 base and FIN-A3 finial
- * Furnish decorative pole, base and finial (Green) - includes Part # SB-93VG base and FIN-B3VG finial
- * Install decorative pole and sign panel (complete)- unit costs shall include all labor, material, and equipment necessary for the complete installation per the contract. This includes but is not limited to locates, survey, excavation and backfill, foundation, mounts, hardware, MOT, restoration, and any other costs associated with a complete installation.
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 - Unit prices shall include all materials, labor, tools, equipment, fuels and debris removal.

**Multi-Modal Path Tunnel Guide Sign Projects: Districts
1, 2, 3, 4, VCCDD & SLRDD and as Needed in Various Districts**

BID # 19B-002

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Bidder agrees to supply the products or services at the prices proposed above in accordance with the terms, conditions and specifications contained in this Bid."

Michael Goff, President
Authorized Agent Name, Title (Print)

Authorized Signature

12/13/2018
Date

Name of Bidder's Firm:

Central Florida Street Signs. LLC

This document must be completed and returned with your Submittal

**Village Community Development Districts
Purchasing Department**

EXHIBIT B

REVISED BID FORM - DISTRICT 2

BID #19B-002 Multi Modal Path Tunnel Guide Sign Project

District 2 Tunnels					
Item	Description	Quantity	Unit	Unit Cost	Total
1	Furnish decorative pole, base and finial (black)	4	EA	\$234.30	\$937.20
2	Furnish Template H Sign Panel	1	EA	\$189.20	\$189.20
3	Furnish Template A Sign Panel	1	EA	\$102.30	\$102.30
4	Furnish Template D Sign Panel	2	EA	\$100.10	\$200.20
5	Install decorative pole and sign panel (Complete)	4	EA	\$331.00	\$1,324.00
6	Remove sign assembly (Complete)	3	EA	\$122.00	\$366.00
Total Project Cost District 2					\$3,118.90

NOTE(S):

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Michael Goff, President
Authorized Agent Name, Title (Print)


Authorized Signature

12/13/2018
Date

Name of Bidder's Firm:

Central Florida Street Signs. LLC

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Village Community Development Districts
Purchasing Department

EXHIBIT A

**BID FORM - VARIOUS DISTRICTS
- As Needed Installs-
ITB #19B-002 Multi Modal Path Tunnel Guide Sign Project**

Item	Description	Unit	Total
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6	Furnish Template D Sign Panel	EA	\$100.10
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 - Unit prices shall include all materials, labor, tools, equipment, fuels and debris removal.

**Multi-Modal Path Tunnel Guide Sign Projects: Districts
1, 2, 3, 4, VCCDD & SLCCDD and as Needed in Various Districts**

BID # 19B-002

"The undersigned, as Bidder, hereby declares that he/she has informed himself/herself fully in regard to all conditions to the work to be done, and that he/she has examined the BID and Specifications for the work and comments hereto attached. The Bidder agrees, if this Bid is accepted, to contract with the **VILLAGE COMMUNITY DEVELOPMENT DISTRICTS** in the form of a Purchase Order, to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation, labor and service necessary to complete the work covered by the Bid and Contract Documents for this Project. The Bidder agrees to accept in full compensation for each item the prices named in the schedules incorporated herein.

Bidder agrees to supply the products or services at the prices proposed above in accordance with the terms, conditions and specifications contained in this Bid."

Michael Goff, President
Authorized Agent Name, Title (Print)

Authorized Signature

12/13/2018
Date

Name of Bidder's Firm:

Central Florida Street Signs. LLC

This document must be completed and returned with your Submittal

**Village Community Development Districts
Purchasing Department**

EXHIBIT B

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: District Staff

DATE: 2/8/2019

SUBJECT: **Old Business Status Update**

ISSUE: Old Business Status Update - February 8, 2019

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ Old Business Status Update	Cover Memo

Village Community Development District No. 2
"Old Business" Status Update

Item(s) to be addressed by Staff	Action Taken	Status Update (if applicable)	Completed	Date Item Identified
Provide update on FEMA reimbursement process		Staff will provide future FEMA updates as they become available.	√	
Provide date for repaving of villa units in Alhambra.		Repaving to occur second or third week of March 2019.		12/14/18
Status Update on Lago De Leon repair		Update to be provided.		1/11/2019
Establish a Standard Operating Procedure (SOP) to address violations of the Districts NPDES Permit.				1/11/2019
Non-District 2 Related Items:				
Relocation of fountain in Santiago Pond		Work Order has been issued.		

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: District Staff

DATE: 2/6/2019

SUBJECT: **Case No. D2-03-19 VCDD No. 2 vs. Specialized Loan Servicing, 2555 Caribe Drive**

ISSUE:

ANALYSIS/INFORMATION:

When hearing and deciding alleged violations of the District's Deed Compliance Rule this Board is acting in a quasi-judicial capacity. You are acting in a similar capacity as a Judge. This means that Due Process shall govern all proceedings:

- A) Proper notice must be given to the alleged violator;
- B) The alleged violator must have an opportunity to be heard; and,
- C) The Board's decision must be made on substantial competent evidence.

Associated with quasi-judicial actions is the prohibition of ex-parte communications which means that Board Members shall not speak with the alleged violator, Staff or other interested parties or review evidence or materials related to the alleged violations outside the public hearing and without first providing notice to any adversely affected parties.

As a Board Member you should only hear and consider evidence that is presented to you at the hearing. Thus, you will note that you have not been provided with any back-up information concerning the cases that will be presented to you at the hearing. This is to avoid any allegations accusing you of receiving ex-parte communications which could result in a complaint being filed against you and the Circuit Court reversing the Board's order.

If, following the conclusion of a Public Hearing, a member of the public would like to obtain a copy of support documentation presented by Staff that information can be obtained from Community Standards Staff at (352) 751-3912.

STAFF RECOMMENDATION:

MOTION:

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Anne Hochsprung, Finance Director

DATE: 2/7/2019

SUBJECT: **Financial Statements**

ISSUE: Budget to Actual Statements as of December 31, 2018

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ Budget to Actual	Cover Memo
□ Cash Shseet	Cover Memo

VILLAGE COMMUNITY DEVELOPMENT DISTRICT #2							
OPERATING BUDGET							
BUDGET TO ACTUAL STATEMENT AS OF: December 31, 2018 (Unaudited)							
Three (3) Months of Operations- 25.00% of Year							
Account Number	Description of Account	Annual Budget	Actual Information		Year-to-Date Variance	Percent of Annual Budget	Footnotes
			Current Month Actual	Year-to-Date Actual	Over/(Under)		
	REVENUES:						
325211	Net Maintenance Assessments	\$ 1,109,583	\$ 583,884	\$ 974,519	\$ (135,064)	87.83%	A
337401	Sumter Co Road Agreement	53,205	13,302	13,302	(39,903)	25.00%	
341908	Electric Reimbursement	-	275	275	275	0.00%	B
361100	Interest Income Cash Equiv	11,100	1,738	2,986	(8,114)	26.90%	C
361105	Interest Income Tax Collector	500	-	-	(500)	0.00%	
	Total Revenues:	\$ 1,174,388	\$ 599,199	\$ 991,082	\$ (183,306)	84.39%	
361306	Unrealized Gain or Loss- FLGIT	-	2,073	2,665	2,665	0.00%	D
361307	Unrealized Gain or Loss- LTP	-	3,038	(13,287)	(13,287)	0.00%	D
361309	Unrealized Gain or Loss-FLFIT	-	164	(496)	(496)	0.00%	C
361409	FLFIT-Realized Gain or Loss	-	1,515	4,355	4,355	0.00%	C
	Total Available Resources:	\$ 1,174,388	\$ 605,989	\$ 984,319	\$ (190,069)	83.82%	
	EXPENDITURES:						
					Under/(Over)		
511111	Executive Salaries	\$ 18,000	\$ 1,000	\$ 2,200	\$ 15,800	12.22%	
511211	Social Security Taxes	1,115	62	136	979	12.20%	
511212	Medicare Taxes	260	15	32	228	12.31%	
511241	Worker's Compensation	50	-	22	28	44.00%	E
	Subtotal Personnel Services	19,425	1,077	2,390	17,035	12.30%	
513311	VCCDD Management Fees	162,886	13,573	40,729	122,157	25.00%	
513312	Engineering Fees	10,600	-	296	10,304	2.79%	
514313	Legal Services	5,000	613	1,063	3,937	21.26%	
513314	Tax Collector Fees	23,117	11,677	19,490	3,627	84.31%	F
519316	Deed Compliance Services	42,485	3,540	10,625	31,860	25.01%	
513318	Technology Services	4,476	373	1,119	3,357	25.00%	
519319	Other Professional Services	25,129	1,432	2,205	22,924	8.77%	
	Subtotal Professional Services	273,693	31,208	75,527	198,166	27.60%	
513322	Auditing Services	7,500	1,875	1,875	5,625	25.00%	
	Subtotal Accounting Services	7,500	1,875	1,875	5,625	25.00%	
513343	Systems Management Support	225	185	494	(269)	219.56%	G
513344	Payroll Services	162	-	-	162	0.00%	
539349	Misc Contractual Services	-	150	1,885	(1,885)	0.00%	H
	Subtotal Other Contractual Services	387	335	2,379	(1,992)	614.73%	
511401	Travel & Per Diem	2,000	-	-	2,000	0.00%	
	Subtotal Travel & Per Diem	2,000	-	-	2,000	0.00%	
513412	Postage	100	-	-	100	0.00%	
	Subtotal Comm & Freight Services	100	-	-	100	0.00%	
541431	Electricity	157,435	5,417	28,593	128,842	18.16%	
539434	Irrigation Water	7,695	642	1,908	5,787	24.80%	
	Subtotal Utilities Services	165,130	6,059	30,501	134,629	18.47%	
539442	Equipment Rental	500	-	-	500	0.00%	
500442	Subtotal Rentals & Leases	500	-	-	500	0.00%	
513451	Casualty & Liability Insurance	6,820	-	5,895	925	86.44%	I
	Subtotal Insurance	6,820	-	5,895	925	86.44%	
539461	Equipment Maintenance	500	(392)	80	420	16.00%	J
539462	Building/Structure Maintenance	43,480	13,730	17,908	25,572	41.19%	
539463	Landscape Maint- Recurring	374,369	28,445	85,337	289,032	22.79%	
539464	Landscape Maint. - Non-Recurring	107,000	7,651	40,131	66,869	37.51%	K
539468	Irrigation Repair	18,992	1,186	2,495	16,497	13.14%	
539469	Other Maintenance	108,326	6,565	14,713	93,613	13.58%	
	Subtotal Repair & Maintenance Services	652,667	57,185	160,664	492,003	24.62%	
513471	Printing & Binding	500	-	24	476	4.80%	
	Subtotal Printing & Binding	500	-	24	476	4.80%	
513493	Permits and Licenses	750	-	-	750	0.00%	
513497	Legal Advertising	1,300	141	141	1,159	10.85%	
	Subtotal Other Current Charges	2,050	141	141	1,909	6.88%	
539522	Operating Supplies	500	-	-	500	0.00%	
	Subtotal Operating Supplies	500	-	-	500	0.00%	
	Subtotal Operating Expenditures	\$ 1,131,272	\$ 97,880	\$ 279,396	\$ 851,876	24.70%	
539633	Capital Outlay Expenditures- Infrastructure	\$ 342,925	\$ -	\$ -	342,925	0.00%	
	Subtotal Non-operating Expenditures	\$ 342,925	\$ -	\$ -	\$ 342,925	0.00%	
	Total Expenditures	\$ 1,474,197	\$ 97,880	\$ 279,396	\$ 1,194,801	18.95%	
369901	Change in Unreserved Net Position	\$ (299,809)	\$ 508,109	\$ 704,923	\$ 1,004,732		
	Change in Net Assets indicates a budgeted addition of Working Capital of \$43,116, Use of Road R&R of (\$71,124) and						
	Use of Capital PHI (\$271,801)						

VILLAGE COMMUNITY DEVELOPMENT DISTRICT #2							
OPERATING BUDGET							
BUDGET TO ACTUAL STATEMENT AS OF: December 31, 2018 (Unaudited)							
Three (3) Months of Operations- 25.00% of Year							
	Fund Balance Analysis:		Balance Forward **09/30/18	Current Month Actual	Year to Date Actual	Current Balance	
284000	Unassigned		\$ 529,685	\$ 508,109	\$ 704,923	\$ 1,234,608	
281003	Restricted Cap Phl		432,512	-	-	432,512	
282004	Committed R&R General		761,782	-	-	761,782	
282006	Committed R&R Villa Roads		230,384	-	-	230,384	
	Total Fund Balance		\$ 1,954,363	\$ 508,109	\$ 704,923	\$ 2,659,286	
	** Beginning fund balance is preliminary until completion of 2017/18 audit.						
	Footnotes:						
A:	Net Maintenance Assessment Revenue is paid to the District by Sumter County and is received from the payment of property tax bills. The bills are mailed on November 1 and the first payments begin to arrive in late November.						
B:	SECO Electrict Reimbursement						
C:	Interest Income includes monthly interest from CFB, our depository bank, and investments with Florida Cooperative Liquid Assets Security System (FLCLASS), Florida Education Investment Trust and Florida Fixed Income Trust (FLFIT).						
			Month	CFB	FLCLASS	FEITF	FLFIT
			Oct-18	1.64%	2.29%	2.26%	2.58%
			Nov-18	1.64%	2.41%	2.32%	2.64%
			Dec-18	1.73%	2.51%	2.46%	2.69%
D:	FLGIT and LTIP unrealized gain/ loss and rate of return will not be available until next month.						
			Month	FLGIT	LTIP		
			Oct-18	0.96%	-63.06%		
			Nov-18	3.37%	12.39%		
			Dec-17	--	--		
E:	Annual Worker's Compensation insurance invoice paid in October.						
F:	Assessment collection service fees charged by Sumter County. These fees coincide with the receipt of our maintenance assessment revenue.						
G:	System Management charges are running higher than expected budget.						
H:	Expenditures are for Administrative services provided by Disaster Law and Consulting, LLC to assist with FEMA matters related to Hurricane Irma.						
I:	Annual Casualty & Liability Insurance invoice paid in October.						
J:	Reclass of expenses to the correct fund resulted in a negative balance for the month.						
K:	YTD expenses are for Plant replacement.						

The Villages®
Community Development Districts
District 2

**CASH AND INVESTMENT SUMMARY
AS OF DECEMBER 31, 2018**

Fund Code	Account Name	Bank	Balance as of 10/1/18	Current Balance	Reconciled Yes/No
GENERAL FUND					
001	Cash Operating Acct	CFB	146,142.45	147,326.36	Yes
001	Cash Equiv - SBA LGIP	SBA	-	-	Yes
001	Cash Equiv - FLCLASS	FLCLASS	309,830.94	868,831.70	Yes
	Sub-total Cash & Cash Equivalents		455,973.39	1,016,158.06	-
001	Cash-FL-FIT	FLFIT	667,599.89	671,459.09	Yes
001	FMIvT 1-3 Yr	FMIvT	-	-	Yes
001	FLGIT	FLGIT	736,214.16	738,879.45	Yes
001	Long Term Investment	USB	313,220.18	299,933.63	Yes
	Sub-total Investments		1,717,034.23	1,710,272.17	-
			2,173,007.62	2,726,430.23	-
DEBT SERVICE FUND - TRUST ACCOUNTS					
202	Revenue Fund 1998	USB-SBA	59,375.10	233,522.64	Yes
202	Interest 1998	USB-SBA	-	-	Yes
202	Principal PrePay 1998	USB-SBA	2,634.60	-	Yes
202	Sinking Fund 1998	USB-SBA		-	Yes
			62,009.70	233,522.64	-
Grand Totals			2,235,017.32	2,959,952.87	-

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: DPM Staff

DATE: 2/8/2019

SUBJECT: **DPM Monthly Report**

ISSUE:

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ DPM Report	Cover Memo

The Villages®

Community Development Districts

Property Management

District 2

February 2019

LANDSCAPE

New Projects:

1. Annuals to be replaced throughout district

Prior Month Project Status:

1. Dates for plant replacement being determined for select Villa entries

Completed Projects:

1. Removal and installation of new plant material on El Camino medians completed
2. Removal of ball moss completed

General Maintenance:

1. Regular Monthly Maintenance
 - Mowing
 - Edging
 - Trimming
 - Weeding
2. DPM continues to mow and create SOP furrow rows around the perimeter of the water retention areas. The height of cut has been raised to slow down water sheet flow and capture any nutrients that may wash from surrounding properties.

WALLS/FENCES & HARDSCAPES

New Projects: N/A**Prior Month Project Status:**

1. Fence painting in the following area has been rescheduled for completion in mid-February:
 - From the Power Corridor to the 50/50 fence on the north side of El Camino.
2. Painting of entry walls delayed due to low temperatures. Scheduled to be completed weather permitting mid-February:
 - El Santiago Entry
 - Alhambra Entry
2. The pressure washing of the walls, signs, and entries continues as needed.
3. Replacement of fence boards and posts continues as needed.

Completed Projects: N/A**General Maintenance: N/A**

ROADWAYS

New Projects: N/A
Prior Month Project Status: N/A
Completed Projects: N/A
General Maintenance: N/A

MISCELLANEOUS ITEMS

New Projects: N/A
Projects In Progress: N/A
Completed Projects: N/A
General Maintenance: N/A

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: Ricahrd J. Baier, District Manager

DATE: 2/8/2019

SUBJECT: **Recognition of Service**

ISSUE:

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM:

DATE: 2/8/2019

SUBJECT: AAC After Agenda

ISSUE: AAC After Agenda

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ 2/6/19	Cover Memo



*District 1 - Carl Bell
District 2 - Ann Forrester, Chairman
District 3 - John Wilcox, Vice Chairman
District 4 - Don Deakin
Lady Lake/Lake Co. - Lowell Barker
VCCDD Board - Gary Moyer*

***Amenity Authority Committee
Monthly Board Meetings are held at:
Savannah Regional Recreation Center
Ashley Wilkes Room 1545 Buena Vista Blvd. The
Villages, FL 32162
The Villages, Florida 32162***

AFTER AGENDA

February 6, 2019
9:00 AM

Notice to Public: Audience Comments on all issues will be received by the Board.

The District Board welcomes participation during public meetings; however, in order to conduct business in an orderly fashion the Board of Supervisors requests you limit your comments to three (3) Minutes. If you have a general comment that is not included as an item on the agenda please come before the Board during the Audience Comments portion of the meeting. If your comment pertains to a specific on the agenda, the Chairman or Vice-Chairman will request public comments when the item is addressed. Thank you for attending the meeting and for your interest in your local government.

1. Call to Order
 - A. Roll Call – **Don Deakin was absent.**
 - B. Pledge of Allegiance
 - C. Observation of Moment of Silence
 - D. Welcome Meeting Attendees
 - E. Audience Comments – **No audience comments were received.**

NEW BUSINESS:

2. Approval of the Minutes

Approval of the Minutes for the Meeting held on January 9, 2019. – **The Committee approved and no discussion occurred.**
3. Approval of FY 19-20 Budget Calendar

Request approval of the attached tentative Fiscal Year 2019-20 Budget Calendar dates to review the budgets for the Recreation Amenities Division and Mulberry Fitness Funds. – **Following Staff overview, the Committee approved.**

4. Architectural Review Manual
Proposed revisions to the Architectural Review Manual (Manual). – **Following Staff overview, the Committee approved.**
5. Architectural Review Committee Selection Process
The Primary and Alternate Architectural Review Committee (ARC) Member. – **The Committee amended the current selection process and recommended approval of Ms. Judy Glasel to the ARC.**
6. Award of BID #19B-002 Multi Modal Path Tunnel Guide Sign Project
Review and approval to present a recommendation to award of Invitation to Bid (ITB) #19B-002 Multi-Modal Path Tunnel Guide Sign Projects: Districts 1, 2, 3, 4, VCCDD & SLCDD and as needed in Various Districts to the Village Center Community Development District Board. – **Following Staff overview and sign presentation, the Committee approved.**

OLD BUSINESS:

7. Old Business Status Update
Old Business Status Update - February 6, 2019
8. Capital Projects Update
The Capital Project Update will be provided to the Committee at the Meeting.

INFORMATIONAL ITEMS ONLY:

9. VCCDD Financial Statements
 - A. VCCDD Budget to Actuals as of December 31, 2018
 - B. Interest Allocation as of December 31, 2018
10. RAD Fund: Capital Projects Work Plan
Fiscal Year 2018-19 RAD Fund: Capital Projects Work Plan - February

REPORTS AND INPUT:

11. District Manager Reports
 - **The Committee approved expenditure of \$15,000 to proceed with re-design of Del Mar Gate**
 - **The Committee approved proceeding with installation of 8 Aquatic Access Lifts at pools north of CR 466 which does not currently have one.**
 - **The Committee approved proceeding with a \$6.5 million placeholder for design/construction/ renovation of Villages of Marion. Any reconstruction or renovation to Paradise Recreation Center will be addressed at a later date.**
12. District Counsel Reports
13. Supervisor Comments
14. Adjourn – **The meeting was adjourned at 10:09 a.m.**

The Villages®
Community Development Districts
District 2

AGENDA REQUEST

TO: Board of Supervisors
Village Community Development District 2

FROM: District Staff

DATE: 2/8/2019

SUBJECT: **Vice Chairman Schikora: Q&A Overview**

ISSUE: This item has been included at the request of Vice Chairman Schikora.

ANALYSIS/INFORMATION:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

Description	Type
□ Q&A Overview	Cover Memo

McQueary, Jennifer

From: Bill Schikora <cdd2schikora@gmail.com>
Sent: Friday, January 25, 2019 3:54 PM
To: McQueary, Jennifer; Baier, Richard; Blocker, Kenneth; Wartinbee, Sam; Wolfe, Nehemiah
Subject: Q&A REPORT FOR THE 02-08-2019 CDD-2 BOARD AGENDA

Greetings: 01-25-2019

Approximately 25 residents attended the Tuesday, 01-22-19 Q&A meeting at Santiago Rec Center from 7:00pm to 9:00pm. There is no formal agenda and all guests are invited to come and go as they please. Committee Chair, Ann Forrester, represented the Amenity Authority Committee (AAC). Special guests included District Manager, Richard Baier, and Property Owners' Association (POA) President/CDD-4 Vice-Chair, Cliff Weiner. As usual, Peg Tackett was there to assist. **Next**

Meeting: Tuesday, 02-26-19 @ Santiago Rec Center

Topics Discussed:

I opened the meeting with a summary of some topics discussed at our January Board Meeting: Passing of former Board Chair, John Blum; dumping swimming pool water in storm drains; trapping of nuisance alligators.

Gate Attendants: I commented on the feedback received from residents about our CDD-2 Gate Attendants. A couple of residents present at this meeting commented on an improvement of service and that they were seeing some "new faces" at the gates. Richard spoke of actions being taken to evaluate and train Gate Attendants. The importance of their being "the first line of ambassadors" for The Villages was noted.

Santiago Gate (El Camino Real/Enrique): Sumter County completed a traffic analysis and has concluded that a NO RIGHT TURN ON RED sign was not warranted at the intersection. Concern for the safety of golf carts crossing and/or entering was reiterated.

Sidewalks along Enrique: Residents expressed concern for the safety of people and pets walking in the golf cart lane along this busy, sometimes congested, roadway. Richard Baier explained that this is a Sumter County issue and referred them to the appropriate contact.

Villa Roads: Some granular debris accumulates on Villa Roads as they deteriorate. Richard suggested that residents can contact Property Management (753-4022) and they will --for Villa Roads only-- provide street-sweeping. Some CDD-2 Villa Roads are scheduled for significant maintenance and repair in 2019.

Sink Holes: Residents remain concerned. Richard described the limestone shelf beneath us and the associated ongoing risk of geological anomalies throughout Florida.

Alhambra Pond/Lago DeLeon: Injection of additional stabilizing grout material is pending. Be assured that there will be remediation of this longstanding issue.

Golf Cart path between Augustine and Morse Blvd: This frequently used path is private property owned by the developer --not part of CDD-2-- and will not be resurfaced.

Messy Mailboxes: Postal areas are well maintained, but many of the actual mailboxes are covered with unsightly stickers and decals. This is a USPS issue that has been going for a long time. It is 100% under the Postmaster's authority.

AAC Budget Workshop: Ann gave a summary of the 01-23 Workshop agenda. She also briefly discussed the upcoming (03-20) joint meeting of the north of CR466 AAC and the south of CR466 Project Wide Advisory Committee (PWAC) regarding Villages-wide Amenity Fees

Round of Applause for our District Manager: A resident expressed his appreciation of Richard's great progress in making The Villages an even better place to live. This was followed by applause from all those present.

Respectfully Submitted, Bill S