

**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, February 8, 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
Jim Cipollone	Supervisor
Candy Ginns	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
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 9:32 a.m. and stated for the record that all Supervisors were present representing a quorum.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

C. Observation of a Moment of Silence

The Board observed a moment of silence for those who have served their Country and community.

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.

Chairman Lifsey advised that the Fourth Order of Business would be addressed at this time.

FOURTH ORDER OF BUSINESS: Acceptance of Audit Report for Fiscal Year 2017/2018

Anne Hochsprung, Finance Director, advised that Purvis Gray & Company, the District's Auditor, have completed the audit report for Fiscal Year 2017/2018 and reviewed the Statement of Activities as well as the Balance Sheet of Governmental Funds with the Board. The following items were highlighted from the Fiscal Year 2017/2018 audit:

- 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 those 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 ending September 30, 2018. The 1996 District 2 bond was retired during Fiscal Year 2017.

- 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 Fiscal Year, unassigned fund balance of the General Fund was \$529,684 or 38.4 percent of total General Fund annual expenditures, a healthy contingency 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.

Helen Painter with Purvis & Gray, the District's Auditors, advised an unmodified opinion has been issued and believes that the financial statements are fairly presented in accordance with generally accepted accounting principles and are free from material mistakes. Ms. Painter thanked Staff for their cooperation in providing all necessary documents to them for the completion of their audit. The Board thanked the auditors for the report provided.

On MOTION by Bart Zoellner, seconded by Jim Cipollone, with all in favor, the Board accepted the Village Community Development District No. 2 Fiscal Year 2017/2018 Audit.

SECOND ORDER OF BUSINESS: Interview of Applicants to fill Vacant Seat 3

Chairman Lifsey advised that the applications received have been provided to the Board Supervisors for review and included as part of today's agenda package.

The candidates in alphabetical order are as follows:

Richard Benson

Barry Evans

Candace Ginns

Tom Swiers

Chairman Lifsey requested the Board interview the applicants in reverse order. The Board began the interview of the candidates at 9:47 a.m. and each candidate responded to questions from the Board

members relating to their personal previous experiences and special contributions they could make to the District. The interviews concluded at 10:17 a.m.

The Board thanked the candidates for their interest in their District government and for submitting their applications for consideration.

A ballot was provided to each Supervisor and Candice Harris, Deputy District Clerk, collected the ballots and announced a majority vote had been received for Candace Ginns.

On MOTION by Bill Schikora, seconded by Jim Cipollone, with all in favor, the Board appointed Candace Ginns to serve the remaining term Village Community Development District Seat 3.

At this time, Ms. Harris administered the Oath of Office to Supervisor Ginns.

THIRD 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 for the Meeting held on January 11, 2019.

FIFTH ORDER OF BUSINESS: Approval of FY 19/20 Budget Calendar

Barbara Kays, Budget Director, advised that the District's tentative Fiscal Year 2019/2020 budget calendar has been provided and advised that a May Budget Workshop has been scheduled for Monday, May 20, 2019 at 9:30 a.m. in the District Office Large Conference Room to include a review of the Fiscal Year 2019/2020 recommended budget by line-item detail, capital improvement plan updates, and discuss the proposed maintenance assessment rates. Ms. Kays stated that approval of the Proposed Budget will occur during the regular Board meeting on June 14, 2019 in the District Office Large Conference Room, and the Public Hearing to adopt the Final Budget followed by the Board's adoption of the Final Budget is scheduled to occur during the regular Board meeting on September 13, 2019 in the District Office Large Conference Room.

On MOTION by Bill Schikora, seconded by Bart Zoellner, with all in favor, the Board approved the Fiscal Year 2019/2020 Budget Calendar.

SIXTH ORDER OF BUSINESS: Architectural Review Manual

Candy Dennis, Community Standards Manager, advised that during the January meeting Staff presented proposed revisions to the Architectural Review Manual for consideration. During the Board Meetings additional revisions were identified for the language pertaining to pavers, driveway painting for patio villas, front door and garage door painting for courtyard and patio villas and providing the necessary language for gate movement and adjusting of a sidewalk when corner/end lot courtyard villas construct a golf cart addition, which have been indicated in blue. Ms. Dennis stated that Staff is requesting that the Board approve the proposed revisions to the Architectural Review Manual.

On MOTION by Bill Schikora, seconded by Jim Cipollone, with all in favor, the Committee recommended approval of the proposed revisions to the Architectural Review Manual.

SEVENTH ORDER OF BUSINESS: Operating Policies and Procedures

Richard Baier, District Manager, advised the introduction of the operating policies and procedures has been provided and stated that District Staff has been working with the commercial and numbered District Boards to ensure current operating policies and procedures are in place. Mr. Baier stated a review has been conducted of the District's existing Policies and Procedures, Statutory requirements, Operating Policies and Procedures from other governmental entities and existing policies that the Board has adopted throughout the years, which have been incorporated into the document presented. Staff has highlighted those areas where options have been provided to the Board for consideration and are requesting that the Board review the document and provide comments to Staff to be incorporated prior to the March Board Meeting. Once the Operating Policies and Procedures have been finalized, Staff will move forward with the advertisement process for the Board to hold a Public Hearing to adopt the Rule.

Chairman Lifsey provided the Board with a copy of comments provided to District Staff.

Chairman Lifsey requested that a copy of the District's current Rule be provided to the Board via email, as information. Brittany Wilson, Director, Technology and Board Services, advised that a copy of the existing Rule can be provided but advised that that draft provided is a complete rewrite.

Supervisor Zoellner referred to page 4, section 1.3 – “A bank of questions will be developed by the District Manager for random selection during the interviews” and stated that he would be concerned about the potential for prejudice if randomly selected questions were utilized and would suggest that the questions be shared with the Board prior to the meeting. Mr. Baier advised that when a vacancy occurred in District 3 questions were identified by Staff, which the Board chose to utilize, to assist the Supervisors with the selection process.

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

Kenny Blocker, Assistant District Manager, advised Staff is requesting approval of recommendation to award Invitation to Bid (ITB) #19B-002 Multi-Modal Path Tunnel Guide Sign Projects to Central Florida Street Signs. The services provided will consist of tunnel guide sign production, removal, installation and repair services for this specific project and on an as needed basis.

Supervisor Zoellner cautioned Staff about placement of signage so as not to cause any line-of-sight obstructions. Mr. Baier stated that as discussed during the Multi-Modal Path Discussion Group (MMPDG) meeting, the placement of signage would be individually evaluated in terms of line of sight and best visibility as designed for those travelling 15 mph.

Supervisor Cipollone inquired if mirrors could be placed in the tunnels where line-of-sight issues occur. Mr. Baier advised that mirrors present liability issues when utilized in motor vehicle environments.

A resident in attendance supported the new proposed guide signage.

In response to Supervisor Zoellner’s inquiry, Mr. Baier advised there will be four (4) signs located within District 2.

<p>On MOTION Bill Schikora, seconded by Bart Zoellner, with all in favor, the Board awarded 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 for the unit pricing indicated in Exhibit B for as needed signage projects; and authorized the Chairman/Vice Chairman to sign the Agreement.</p>
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NINTH ORDER OF BUSINESS: Old Business Status Update

Sam Wartinbee, District Property Management (DPM) Director, advised that paving of the villa units in Alhambra will begin the third or fourth week in March. Once a firm date has been established Staff will place a notice at the postal facilities and the villa entry, prior to the work beginning.

Mr. Wartinbee advised that the fountain has been relocated and is operational in the Water Retention Area (WRA) near the El Santiago Recreation Center and El Diablo golf course.

Mr. Wartinbee advised that Lago De Leon is currently holding water. Some of the WRA had been excavated in preparation of two (2) more grout injunction points being completed; however, due to the rainfall received those grout injections have not yet been completed. Mr. Wartinbee advised that the water will have to evaporate prior to the work being completed.

Vice Chairman Schikora advised that he has received positive comments from residents about the relocation of the fountain and thanked Staff.

Vice Chairman Schikora inquired if the Lago De Leon pond could have repaired itself. Mr. Baier advised Staff believes the clay shifted and plugged Lago De Leon pond.

Chairman Lifsey inquired if an update was available regarding the Sumter County Interlocal agreement and requested the item be placed on Old Business. Mr. Baier advised the item is underway and will come to the Board at the March or April meeting.

TENTH ORDER OF BUSINESS: Case No D2-03-19 VCDD No 2 vs. Specialized Loan Servicing, 2555 Caribe Drive

A. Staff Presentation of the Facts

Ms. Dennis advised the Board that Case No. D2-03-19, Village Community Development District (VCDD) No. 2 vs. William Davis and Specialized Loan Servicing, LLC, 2555 Caribe Drive, Unit 30, Lot 28 is a violation of the District's Rule to Bring About Deed Compliance and specifically the Rule that states "It shall be the responsibility of the Owners to keep their Lots neat and clean..." Ms. Dennis advised that on October 29, 2018 a complaint was received regarding a tarp on the roof and a broken garage door and on October 30, 2018 the violation was verified and a Deed Restriction Reminder was written. After following the Procedures for Compliance of External Deed Restrictions, a

Notice of Public Hearing was sent regular mail, certified mail, and the property was posted on January 16, 2019. The property owner is deceased and Specialized Loan Servicing, LLC has advised Staff that they have taken ownership of the property; however, the property records indicate that Mr. William Davis is still the owner, which is why Staff has included both parties in this action. Staff has been in contact with Specialized Loan Servicing, LLC and they have advised that a work order has been submitted to their vendor, but the property remains in violation. It is Staff's recommendation that the Board find the owner in violation of the District's Deed Compliance Rule as cited by Deed Compliance Staff; Owner has 30 days to bring the property into compliance; if the property is brought into compliance within 30 days of the Order of Enforcement, Case No. D2-03-19 shall be closed; if the property is not brought into compliance within 30 days of the Order of Enforcement, impose a \$150 fine to be paid within 10 days of the invoice and impose a \$50 daily charge until the property is brought into compliance; if the fines reach \$1,500 the case shall be turned over to District Counsel to seek all available legal remedies which may include initiating a lawsuit, seeking an injunction against the Owner and placing a lien against the property and authorize the Chairman/Vice Chairman to execute the Order of Enforcement. Ms. Dennis advised the case was been brought to the Board in 2015 and was closed in 2017, with the District maintaining the property six (6) times and Specialized Loan Servicing, LLC paying off the outstanding fines in the amount of \$1,500. Staff responded to the Board's inquiries.

B. Open Public Hearing

Chairman Lifsey opened the Public Hearing at 11:06 a.m. to receive public comment.

C. Owner/Interested Party Presentation

No comments were received.

D. Close Public Hearing

Received no public comments, Chairman Lifsey closed the Public Hearing at 11:06 a.m.

E. Board Discussion/Determination

On MOTION by Bart Zoellner, seconded by Bill Schikora, with all in favor, the Board found the owner, William Davis and Specialized Loan Servicing, LLC, of 2555 Caribe Drive, in violation of the District's Deed Compliance Rule as cited by Deed Compliance Staff; Owner has 30 days to bring the property into compliance; if the property is brought into compliance within 30 days of the Order of Enforcement, Case No. D2-03-19 shall be closed; if the property is not brought into

compliance within 30 days of the Order of Enforcement, impose a \$150 fine to be paid within 10 days of the invoice and impose a \$50 daily charge until the property is brought into compliance; if the fines reach \$1,500 the case shall be turned over to District Counsel to seek all available legal remedies which may include initiating a lawsuit, seeking an injunction against the Owner and placing a lien against the property and authorized the Chairman/Vice Chairman to execute the Order of Enforcement.

ELEVENTH ORDER OF BUSINESS: Financial Statements

The Financial Statements as of December 31, 2018 were provided as information to the Board.

TWELFTH ORDER OF BUSINESS: DPM Monthly Report

The District Property Management (DPM) Monthly Report was provided as information to the Board.

THIRTEENTH ORDER OF BUSINESS: District Manager Reports

A. Recognition of Service

Mr. Baier and the Board recognized former Supervisor Marty Rothbard for his service on the District 2 Board and thanked him for his service to the community.

B. AAC After Agenda

Ann Forrester, District 2 Amenity Authority Committee (AAC) representative, provided the following highlights from the Amenity Authority Committee (AAC) meeting held on February 6, 2019:

- The Committee approved an expenditure of \$15,000 for engineering costs to prepare the re-design of the Del Mar Gate second inbound lane.
- The Committee approved proceeding with the installation of eight (8) aquatic access lifts (AALs) at pools north of CR 466 that do not currently have one.
- The Committee approved including a \$6.5 million placeholder for design/construction/renovation of The Villages of Marion recreation center and amenities. Any reconstruction or renovation to Paradise Recreation Center will be addressed at a later date.

FOURTEENTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

FIFTEENTH ORDER OF BUSINESS: Supervisor Comments

Supervisor Cipollone requested clarification of how residents can submit complaints to the District. Mr. Baier requested that residents contact the Customer Service Department at 753-4508 to ensure that the calls are directed to the appropriate department.

Mr. Baier advised there will be a public meeting held in April at which time an update of District activities will be provided to the Supervisors and Committee members.

Supervisor Zoellner thanked the applicants for showing an interest in their local government. The Board concurred and welcomed newly appointed Supervisor Ginns.

A. Vice Chairman Schikora: Q&A Overview

Vice Chairman Schikora advised the overview from the Q&A session held on January 25, 2019 was provided as information to the Board.

SIXTEENTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 11:20 a.m.

On MOTION by Bart Zoellner, seconded by Jim Cipollone, with all in favor, the Meeting was adjourned.

Richard J. Baier
Secretary

Bryan Lifsey
Chairman