

**MINUTES OF MEETING
VILLAGE CENTER COMMUNITY
DEVELOPMENT DISTRICT**

The Meeting of the Board of Supervisors of the Village Center Community Development District was held on Wednesday, February 12, 2014 at 2:00 p.m. at the Savannah Regional Recreation Center, 1545 Buena Vista Boulevard, The Villages Florida, 32162.

Board members present and constituting a quorum:

Steve Drake	Chairman
Tom Brooks	Vice Chairman
Art Rowe	Supervisor
Gary Moyer	Supervisor
Steve Kurtz	Supervisor

Staff Present:

Janet Tutt	District Manager
Diane Tucker	Administrative Operations Manager
Lewis Stone	District Counsel
Sam Wartinbee	District Property Management Director
David Miles	Finance Director
Barbara Kays	Budget Director
Jennifer McQueary	District Clerk
Brittany Wilson	Assistant to District Manager
Candice Lovett	Staff Assistant

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Drake called the meeting to order at 2:00 p.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. First Time Meeting Attendees

The Board welcomed all those residents in attendance at a Village Center Community Development District (VCCDD) Board Meeting for the first time.

D. Audience Comments

There were no audience comments.

CONSENT AGENDA:

Chairman Drake advised the Board a motion to approve the Consent Agenda is a motion to approve all recommended actions. All matters on the Consent Agenda are considered routine and no discussion is required unless desired by a Board Supervisor or a Member of the Public.

On MOTION by Art Rowe, seconded by Steve Kurtz, with all in favor, the Board approved the following items on the Consent Agenda:

SECOND ORDER OF BUSINESS: Approval of the Minutes from the Board Meeting held on January 8, 2014.

THIRD ORDER OF BUSINESS: Approval of Staff's request to issue a Notice to Proceed to Ring Power Corp, in the amount of \$39,530.00 for a retrofit to the existing generator at VCSA Waste Water Treatment Plant.

FOURTH ORDER OF BUSINESS: Approval of Amendment One to the Agreement with VCCDD and Royce Parking Control Systems, Inc. in the amended annual amount of \$117,368.88 and authorized the Chairman/Vice Chairman to execute the Agreement.

FIFTH ORDER OF BUSINESS: Award of RFP #14P-033 in the amount of \$28,000 to Evergreen Solutions, LLC and authorized Chairman/Vice Chairman to sign the Agreement for Professional Services.

SIXTH ORDER OF BUSINESS: Approval of Amendment One to the Agreement with Patrick's Uniforms of Florida, Inc. to incorporate a required delivery time of two (2) weeks upon placement of the orders and authorized the Chairman/Vice Chairman to execute the document.

SEVENTH ORDER OF BUSINESS: Approval of Amendment Two to the Agreement with ABM Services, Inc. DBA OneSource Landscape to increase frequency of janitorial services and authorized the Chairman/Vice Chairman to execute the Amendment.

EIGHTH ORDER OF BUSINESS: Approval of and ratified the Chairman's signature on the SWFWMD Statement of Completion permit number 44023491.184 VOS-Public Safety Fire Station No. 6, and request for Transfer to Operation Entity.

NINTH ORDER OF BUSINESS: Adoption of Resolution 14-09 amending the Fiscal Year 2013-14 Public Safety Fund Budget to provide for the purchase of

AEDs.

TENTH ORDER OF BUSINESS: Approval of Change Order #3 to the Agreement for Paradise Park Landscaping and Recreation Improvements and authorized the Chairman/Vice Chairman to sign said Change Order.

ELEVENTH ORDER OF BUSINESS: Approval of Amendment Two to the Agreement with United States Services Industries, Inc. (USSI) for Janitorial Services for an amended annual contract amount of \$257,084.04 and authorized the Chairman/Vice Chairman to execute the Amendment.

TWELFTH ORDER OF BUSINESS: Award of Bid #14B-034 to Mark Cook Builders, Inc. for Construction of Knudson Softball Field Score Booth in the amount of \$44,748.00 and authorized Chairman/Vice Chairman to execute the Construction Agreement.

THIRTEENTH ORDER OF BUSINESS: Award of Bid # 14B-035 to Mark Cook Builders, Inc. for Construction of Saddlebrook Pavilion (and El Santiago Pavilion) in the amount of \$74,096.00 and authorized the Chairman/Vice Chairman to execute the Construction Agreement.

FOURTEENTH ORDER OF BUSINESS: Award of Bid #14B-036 to Mark Cook Builders, Inc. for Construction of Lindsey Lane Golf Maintenance Facility in the amount of \$498,348.00 and authorized the Chairman/Vice Chairman to execute the Construction Agreement.

FIFTEENTH ORDER OF BUSINESS: Adoption of Resolution 14-08 approving the revised District Investment Policy effective the date of approval.

SIXTEENTH ORDER OF BUSINESS: Acceptance of Audit Report for Fiscal Year 2012/2013

David Miles, Finance Director, provided an overview of the new accounting standards adopted by the District as required by the Governmental Accounting Standard Board (GASB) and reviewed the following Financial Highlights with the Board:

- Net position increased over the previous year by \$8,295,889 to \$74,635,591. The governmental activities recognized an increase of \$1,516,568. The business-type activities recognized an increase in net position of \$6,779,321. There was a reduction in that increase of \$5,366,123, resulting from the early implementation of GASB 65 which restated the beginning net position for the previously accrued bond issuance costs paid at the time the bonds were issued. Of the total net position, in the governmental activities, there is \$9,449,381 which is unrestricted and \$65,532,539 which is unrestricted in the business-type activities.
- All of the District's proprietary funds (business activities) realized an increase in net position. The four proprietary funds in the business type activities all saw increases: the RAD Fund

increased by \$4,534,442, the Village Center Service Area (VCSA) Water and Sewer Fund increased by \$1,622,020 the Little Sumter Service Area (LSSA) Water and Sewer Fund increased by \$613,217 and the Fitness Fund increased by \$9,642.

- In the governmental funds, the General Fund saw an increase of \$996,858, the Public Safety Fund saw an increase of \$561,944 and the non-major funds saw an increase of \$249,063 in fund balances. At the close of the fiscal year; the District's governmental funds reported a fund balance of \$7,447,931, a net increase of \$1,807,865 compared to the prior year.
- Both the VCSA and LSSA water and sewer utility funds included 2.5 percent rate increase for all billing periods beginning October 1, 2012 or thereafter. The annual rate adjustments contributed to the positive financial performance of both utility funds.
- The District's total long-term debt decreased by \$11,272,888 during the current fiscal year. In governmental activities, no new debt was incurred and payments on notes payable to buy Fire Station Numbers 44 and 45 were reduced by \$1,250,000. Loans payable were reduced by \$90,067 and capital leases of \$35,361 during the year. Compensated absences liability increased by \$20,242. At the end of the year, government activities had \$2,522,765 in outstanding long-term debt, while business activities had \$279,146,366 in outstanding long-term debt. No new debt was incurred by the District. Total long-term debt outstanding on September 30, 2013 was \$281,669,131.

Mr. Miles introduced Helen Painter of Purvis Gray & Company, who reviewed the Auditor's Report and addressed the Management Letter which was included on page 53. Ms. Painter stated because of the significance of the IT function, a recommendation was made in the previous year's audit that the District consider including in its service agreement, the requirement that Technology Solutions Group, Inc. (TSG) obtain an IT risk assessment report periodically to ensure that its IT environment and general controls have been properly designed and implemented and are operating effectively throughout the year. Ms. Painter advised the risk assessment was completed and a draft form was reported.

Mr. Miles advised the District engaged the firm of Clifton Larson Allen, P.A. of Minneapolis, MN this past year to perform the risk assessment of the District's IT services provided by TSG, and stated Staff anticipates the report be provided to this Board at the March 20, 2014 meeting. Mr. Miles stated it is Staff's intention that a risk assessment be performed approximately every two (2) years, due

to the rapid advances in the state of information technology services.

Ms. Tutt advised there were no serious issues found throughout the audit report.

Supervisor Moyer requested clarification of the cost of the study and of the changes made by GASB, which Staff provided.

Ms. Painter thanked Staff for their cooperation during the audit process.

On MOTION by Tom Brooks, seconded by Art Rowe, with all in favor, the Board accepted the Village Center Community Development District Audit Report for Fiscal Year 2012/2013.

SEVENTEENTH ORDER OF BUSINESS: Case LL-05-14 VCCDD vs. Delores Voorhees

A. Staff Overview and Recommendation

Diane Tucker, Administrative Operations Manager, advised Case No. LL-05-14, Village Center Community Development District (VCCDD) vs. Dolores Voorhees, 1206 E. Schwartz Boulevard, Unit 12, Lot 2931, is a violation of the District's Rule to Bring About Deed Compliance and specifically, the Rule that states: "Each Lot must contain a concrete driveway and the lawn must be sodded and a lamppost light erected in the front yard of each lot." On November 4, 2013, Staff received a complaint regarding the installation of stone and the removal of sod at the property location. After researching the architectural review database, it was found that the application form was submitted on June 20, 2013, reviewed by the Architectural Review Committee (ARC) on June 26, 2013 and marked approved. Ms. Tucker advised Staff reviewed the recording from the ARC meeting and found that the application was denied by a unanimous vote. Staff visited the property owner to advise that an error had occurred and sent a letter to the property owner requesting the stones be removed and replaced with either Florida Friendly Landscaping or sod. Ms. Tucker advised Staff is requesting the Board provide direction as to whether the District desires to enforce the architectural review denial or would consider, in light of the error and the reliance thereupon, to not enforce the architectural review denial in this specific case. Ms. Tucker stated the Board could also not enforce the specific rule, and remove it from the matrix.

Supervisor Kurtz inquired if the homeowner was present during the meeting when the ARC reviewed the application. Ms. Tucker advised she does not believe so.

Supervisor Moyer inquired what recourse the Board has based on the incorrect information provided to the homeowner regarding the ARC approval. Valerie Fuchs, District Counsel to the numbered Districts, advised the Board could chose to deny the appeal, based on the deed restrictions adopted by Rule which states each lot must be sodded.

B. Open Public Hearing

Chairman Drake opened the Public Hearing at 2:40 p.m. to receive public comment.

Mark Voorhees addressed the Board and advised the request to remove the sod was made because of significant amount of chemicals being sprayed in the an attempt to have grass grow in an area where the grass was not growing.

C. Close Public Hearing

Hearing no other public comment, the Chairman closed the Public Hearing at 2:43 p.m.

D. Board Determination

<p>On MOTION by Gary Moyer, seconded by Tom Brooks, with all in favor, the Board approved Option A of Staff's Recommendation which states, in light of the error and the reliance there upon, the District will not enforce the architectural review denial in this specific case.</p>

INFORMATIONAL ITEMS ONLY:

EIGHTEENTH ORDER OF BUSINESS: Budget to Actual Statements as of December 31, 2013

This item was provided as information to the Board.

NINETEENTH ORDER OF BUSINESS: Donation of Auction Items to the Sumter County Youth Center

This item was provided as information to the Board.

TWENTIETH ORDER OF BUSINESS: FDEP Sanitary Survey of Village Center Service Area (VCSA) and Little Sumter Service Area (LSSA)

This item was provided as information to the Board.

TWENTY-FIRST ORDER OF BUSINESS: The Villages Public Safety Department Fiscal Year 2012/2013 Annual Report

This item was provided as information to the Board.

The Board acknowledged and thanked the Village Public Safety Department (VPSD) for the Annual Report provided.

TWENTY-SECOND ORDER OF BUSINESS: Decline to proceed received from Driveway Maintenance, Inc. re: RFP #14P-017

This item was provided as information to the Board.

TWENTY-THIRD ORDER OF BUSINESS: Staff Reports

A. Amenity Authority Committee Update

The Amenity Authority Committee (AAC) overview from the February 12, 2014 meeting was provided as information to the Board.

Ms. Tutt stated as this Board is aware the District filed for relief from the retroactive application of the Technical Advice Memorandum (TAM). Staff then received a request for justification from the IRS for the District's delay of filing of the retroactive application which was submitted on December 4, 2013. On January 28, 2014 the District received notification from the IRS that our request for relief was forwarded to the Associate Chief Counsels Office for review. The process to address this most recent step, 7805 – Request for Relief, is a very specialized area of legal expertise and following discussion with this Board's designated liaison, Supervisor Moyer, Staff has entered into an Engagement Letter with Bruce Serchuk of the law firm Nixon Peabody whose specific specialization pertains to 7805.

On MOTION by Tom Brooks, seconded by Art Rowe, with all in favor, the Board approved ratified the District Managers signature on the Letter of Engagement with Nixon Peabody dated February 6, 2014 for those communications relating to the IRS area 7805 process.

Ms. Tucker referred to the case brought before the Board and advised since this issue occurred, Staff has implemented a checks and balances system for the ARC application process.

B. Appoint new Investment Advisory Committee Representative

Mr. Miles requested the Board appoint a new representative to serve on the Investment Advisory Committee (IAC).

Supervisor Rowe volunteered to serve on the Committee.

TWENTY-FOURTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

TWENTY- FIFTH ORDER OF BUSINESS: Supervisor Comments

There were no Supervisor Comments.

TWENTY-SIXTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 2:57 p.m.

On MOTION by Tom Brooks, seconded by Gary Moyer, with all in favor, the meeting was adjourned.

Janet Y. Tutt
Secretary

Steve Drake
Chairman