

**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT No 2**

The Meeting of the Board of Supervisors of the Village Community Development District No. 2 was held on Friday, February 14, 2014 at 9:30 a.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages, Florida, 32162.

Board members present and constituting a quorum:

Robert Gilmartin	Chairman
John Blum	Vice Chairman
Bart Zoellner	Supervisor
Nick Jones	Supervisor

Staff Present:

Janet Tutt	District Manager
Diane Tucker	Administrative Operations Manager
Valerie Fuchs	District Counsel
David Miles	Finance Director
Barbara Kays	Budget Director
Sam Wartinbee	District Property Management Director
Jennifer McQueary	District Clerk
Brittany Wilson	Assistant to District Manager
Carrie Duckett	Manager of Customer and Support Services

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Gilmartin called the meeting to order at 9:30 a.m. and stated for the record that four (4) Supervisors were present. Chairman Gilmartin advised the Board that a letter of resignation was received from Supervisor Houston.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

The Chairman led the Board and residents in a moment of silence to observe those who serve our Country and the community.

C. Welcome Meeting Attendees

The Board welcomed all those residents in attendance at a Village Community Development District (VCDD) No. 2 meeting.

D. Audience Comments

Don Simpson, 1225 Carvello Drive, advised the Board the Architectural Review Committee (ARC) appeal that came before the Board at its January Board meeting was readdressed by the ARC and with the additional information provided by Staff and the property owners, the application was approved. Mr. Simpson also thanked Sam Wartinbee, District Property Management (DPM) Director, for addressing the lighting issue Tierra Del Sol Recreation Center.

Jane Backelitz, Village of Alhambra, addressed the Board expressing concern regarding the complaint driven deed compliance process. Ms. Backelitz requested the Board consider neighbor to neighbor mediation rather than the current complaint driven process.

Supervisor Jones thanked the residents for attending and providing their input.

Janet Tutt, District Manager, requested the Board allow Valerie Fuchs, District Counsel, to review the suggestion made by Ms. Backelitz and Staff will provide the item on the agenda under Old Business for a future update.

SECOND ORDER OF BUSINESS: District Property Management Reports

A. Landscape Maintenance Update

Cory Birch, DPM Supervisor, provided the Board with the following updates:

- Trees have been lifted along El Camino Real.
- Trimming along the villa walls will be occurring in the upcoming weeks.
- Fence replacement along Village of Alhambra and El Camino Real is occurring.

Supervisor Zoellner requested clarification of the entity or individual responsible for the outside maintenance of villa walls. Ms. Fuchs stated the responsibility is based on the deed restrictions and it is a case by case issue.

CONSENT AGENDA:

Chairman Gilmartin 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 shall occur unless desired by a Board Member or a member of the Public.

On MOTION by John Blum, seconded by Nick Jones, with all in favor, the following items on the Consent Agenda were approved:
THIRD ORDER OF BUSINESS: Approval of the Minutes of the Board Meeting held on January 10, 2014.
FOURTH ORDER OF BUSINESS: Adoption of Resolution 14-04 approving the revised District Investment Policy effective the date of approval.
FIFTH ORDER OF BUSINESS: Adoption of Resolution 14-05 amending and restating the External Deed Restriction Standards within the boundaries of Village Community Development District No. 2.

SIXTH 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:

- The assets of the District exceed its liabilities as of September 30, 2013 by \$12,925,391 (net position). Of this amount, \$1,810,706 of unrestricted net position may be used to meet the District's ongoing obligations to residents and creditors.
- The District's total net assets decreased by \$595,546. An additional decrease of \$158,511 resulted from the restatement of beginning net position due to the early implementation of GASB 65. The restatement removed the balance of all unamortized issuance costs, rather than amortizing over the remaining lives of the bonds. The remaining decrease in net position results primarily from the depreciation expenses for capitalized fixed assets as shown on page 26 of this report. Depreciation expenses are provided to reflect the using up over time of the value of items of capital infrastructure and equipment previously acquired, to allow for the planning of the timely replacement or renovation of these assets when required.

- At the close of the fiscal year, the District's governmental funds reported combined fund balances of \$2,384,347, a net decrease of \$140,921, compared to the prior year. Of the total fund balance, \$540,757 is available for spending at the District's discretion as unassigned fund balance. The District's capital assets are not recorded in the governmental funds.
- At the end of the year, the unassigned balance of the General Fund was \$540,757 or 57.6 percent of total General Fund annual expenditures, a healthy contingency for unexpected expenditures.
- The District's long-term debt decreased by \$505,000 during the current fiscal year. The decrease related to principal payments made on outstanding revenue bonds during the year ended September 30, 2013.
- Special assessments are shown as assessment receivable. At the fund level, there is an offsetting line item for unavailable revenue pertaining to assessments due to future years. Assessments receivable decreased by \$623,465 during the year and has a September 30, 2013 balance of \$1,829,577.

Helen Painter, Purvis & Gray, the District's Auditors, reviewed the Audit Report and thanked Staff for their cooperation in providing all necessary documents to them for the completion of their audit. The Board thanked Staff for their continued diligent efforts on behalf of the residents.

On MOTION by Bart Zoellner, seconded by John Blum, with all in favor, the Board accepted the Audit Report of Fiscal Year 2012/2013 for Village Community Development District No. 2.

SEVENTH ORDER OF BUSINESS: Old Business Status Update

There were no items on Old Business to be addressed.

EIGHTH ORDER OF BUSINESS: Case D2-01-14 VCDD No. 2 vs. Shari Beier

A. Staff Overview and Recommendation

Diane Tucker, Administrative Operations Manager, advised Case No. D2-01-14, Village Community Development District No. 2 vs. Shari Beier, 2913 Panchos Way, Unit 606, Lot 4, is a violation of the District's Rule to Bring About Deed Compliance and specifically, the Rule that states: "Each Lot Owner shall be responsible for maintaining in a mowed, edged, neat and clean manner that

portion of his Lot not subject to side yard or driveway easements, his side yard easement area, driveway easement area and driveway....” Ms. Tucker stated Staff received a complaint on October 22, 2013 regarding tall grass and on October 23, 2013, 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 on January 22, 2014. The property is in foreclosure with Bank of New York Mellon and the bank indicated it would maintain the property. Staff has contacted the bank on numerous occasions and to date, they have not performed any maintenance. The District had the property maintained on January 29, 2014 and the actual cost of maintenance is \$75. Ms. Tucker advised Staff is recommending the Board find the Owner in violation of the District’s Deed Compliance Rule as cited by the Deed Compliance Staff; Impose a \$250 fine to be paid within ten (10) days of the invoice; Authorize the District to maintain the property twice a month in the summer and once a month in the winter as needed; Owner shall be fined \$250 each time the District maintains the property; Staff will continue to monitor the maintenance of the property; Staff will continue to work with Bank of New York Mellon and their property preservation department; If the fines reach \$1,500 and the foreclosure has been dismissed the case shall be turned over to District Counsel to seek all available remedies including seeking an injunction against the Owner; If the property transfers ownership as a result of the foreclosure or before the fines reach \$1,500 and the fines have not been paid within one (1) year of the transfer of ownership, the fines shall be waived and Case No. D2-01-14 shall be closed and the Chairman shall execute the Order of Enforcement.

B. Open Public Hearing to Receive Public Comment

Chairman Gilmartin opened the Public Hearing at 10:06 a.m. to receive public input.

C. Close Public Hearing

Hearing no public input, the Chairman closed the Public Hearing at 10:06 a.m.

D. Board Determination

On MOTION by John Blum, seconded by Nick Jones, with all in favor, the Board found the Owner in violation of the District’s Deed Compliance Rule as cited by the Deed Compliance staff; Impose a \$250 fine to be paid within ten (10) days of the invoice; authorize the District to maintain the property twice a month in the summer and once a month in the winter as needed; owner shall be fined \$250 each time the District maintains the property; Staff will continue to monitor the

maintenance of the property; Staff will continue to work with Bank of New York Mellon and their property preservation department; If the fines reach \$1,500 and the foreclosure has been dismissed the case shall be turned over to District Counsel to seek all available remedies including seeking an injunction against the Owner; if the property transfers ownership as a result of the foreclosure or before the fines reach \$1,500 and the fines have not been paid within one (1) year of the transfer of ownership, the fines shall be waived and Case No. D2-01-14 shall be closed and the Chairman shall execute the Order of Enforcement.

At this time Ms. Tutt requested the Board formally accept the resignation of Supervisor Houston at this time.

On MOTION by John Blum, seconded by Nick Jones, with all in favor, the Board accepted the resignation letter of Bob Houston.

Ms. Tutt stated Staff anticipated the Board would want to proceed in finding a replacement utilizing the same process which will include District Staff soliciting applications from residents.

Supervisor Jones suggested Staff contact the individuals who submitted applications during the last interview process and advise them a seat on the Board has become vacant. The Board concurred.

Ms. Tutt advised Staff will initiate the process and include the interview process on the March 14, 2014 agenda.

INFORMATIONAL ITEMS ONLY:

NINTH ORDER OF BUSINESS: Financial Statements as of January 31, 2014

The item was provided as information to the Board.

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

The item was provided as information to the Board.

ELEVENTH ORDER OF BUSINESS: Staff Reports

A. Amenity Authority Committee Update

Ms. Tutt advised discussion occurred at the Amenity Authority Committee (AAC) meeting regarding the District 4's request to the AAC to fund the center line striping of the multi-modal path. The Committee voted not to fund the installation or maintenance of the striping on the paths within District 4.

Ms. Tutt provided an overview of the AAC's decision to demolish and reconstruct the El Santiago facility. Ms. Tutt clarified the Committee never voted to purchase the facility for the utilization of a restaurant, The facility was purchased to proceed as a recreation facility.

Chairman Gilmartin advised beginning March 14, 2014 all Village Community Development District No. 2 Board Meetings will be held at the Savannah Center in the Ashley Wilkes Room.

Ms. Tutt advised Staff will hold its training sessions for the Districts' move to electronic agendas and the District Boards will be contacted for training in the near future. Staff is providing an opportunity for the Board Members south of CR 466 to preview their new Board room location, but because many of the Board Members north of CR 466 have attended AAC meetings in the past, Staff did not believe it was necessary to do the same. However, if you would like the opportunity review the set-up of the room prior to the March Board Meetings please contact Jennifer McQueary, District Clerk.

TWELFTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

Carrie Duckett, Manager of Customer and Support Services, presented the residents who completed the District's Resident Academy with a certificate and thanked them for taking the opportunity to learn more about the District's local government.

THIRTEENTH ORDER OF BUSINESS: Supervisor Comments

Supervisor Jones requested clarification of the paving for the villa roads in the Village of Santiago. Mr. Wartinbee advised the villa roads are being reviewed annually as part of the budgetary process. Staff is communicating with various contractors about any cut and patch maintenance that may need to be completed, along with crack sealing prior to micro resurfacing. Mr. Wartinbee advised any road maintenance that was scheduled to be completed this year, will be completed.

Chairman Gilmartin inquired if Sumter County would be repairing the pot holes along El Camino Real. Mr. Wartinbee advised Staff anticipates that Sumter County will be completing necessary road maintenance in those specific areas.

A. Vice Chairman Blum: Governance Improvement Committee Update

Vice Chairman Blum provided an update from the Governance Improvement Committee meeting held on February 6, 2014. Vice Chairman Blum stated the Committee will be meeting in the future to discuss suggestions brought up at the meeting, which included the potential to hold a town hall type meeting which would be attended by all District Board members. Ms. Tutt advised Staff will be reviewing the ideas identified to provide an overview of how each of the numbered Districts fit into The Villages as a whole community.

B. Vice Chairman Blum: Investment Advisory Committee Update

Vice Chairman Blum provided an update from the Investment Advisory Committee (IAC) meeting held on January 30, 2014 as information to the Board.

FOURTEENTH ORDER OF BUSINESS: Adjourn

Chairman Gilmartin adjourned the meeting at 10:29 a.m.

Janet Y. Tutt
Secretary

Bob Gilmartin
Chairman