

**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT No 3**

The Meeting of the Board of Supervisors of the Village Community Development District No. 3 was held on Friday, February 14, 2014 at 11:00 a.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages, Florida, 32162.

Board members present and constituting a quorum:

Charles Cook	Chairman
Bill Ray	Vice Chairman
Tilman Dean	Supervisor
John Goetz	Supervisor
Gail Lazenby	Supervisor

Staff Present:

Janet Tutt	District Manager
Diane Tucker	Administrative Operations Manager
Valerie Fuchs	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

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Cook called the meeting to order at 11:00 a.m. and stated for the record that all Supervisors were present representing a quorum. Supervisor Goetz excused himself from the meeting at 11:41 a.m.

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. 3 Board Meeting.

D. Audience Comments

There were no audience comments.

SECOND ORDER OF BUSINESS: District Property Management Reports

A. Landscape Maintenance Update

Bill Thompson, District Property Management (DPM) Supervisor, provided the Board with an update on the following items:

- Trimming is occurring along the golf cart path, walls and fences.
- Annual change-out will take place the end of February, first of March depending on the weather.

Supervisor Goetz read the following into the record:

“I would like to bring to the Board, the question of why should District 3 be responsible for operating and maintaining Osprey and The Trough storm water basins which are located within Hawkes Bay and Saddlebrook Executive Golf Courses. In the fall of 2013 an AAC member raised the same question of Staff, which lists these basins as AAC/VCCDD maintenance responsibility. Staff agreed to research this issue. On January 8, 2014, Ms. Tutt provided the AAC with a note that stated Staff has documents that confirm that ownership and maintenance responsibility lies within District 3. The document provided by Ms. Tutt is a June 12, 1998 Easement Agreement which does not mention either ownership or maintenance responsibility. After further discussion by the AAC, Ms. Tutt stated a legal review, if any, should rightly be requested by District 3 as we are currently responsible for maintaining these basins. This is why I am bringing this to you. The District’s maintenance responsibility of these basins has been reviewed previously at least 3 times with mixed results.

1) In a District 3 meeting on September 8, 2006 Charlie Cook questioned District Counsel James F. Johnston on liability and resolution of sinkhole issues. In the next meeting, Vice Chair Richard Belles questioned District Counsel Johnston on the cost to District of retention ponds in the District and any liability to the District arising from them. On January 12, 2007 Counsel Johnston presented a letter and map prepared by himself, and with the assistance from Staff and District engineer showing all WRA’s owned and maintained by District 3. Here is the letter and map. This map clearly shows Osprey and Trough are not maintained by District 3.

2) In 2012 in response to my questions on this subject, Mr. Wartinbee advised me on April 10, 2012 that “after review by District Counsel, the ownerships and maintenance responsibility of these ponds is District 3.” I later reviewed documents that Valerie used to reach her opinion. Those documents, in my opinion, do not prove District 3’s responsibility.

3) The 2013 questions raised by the AAC member as stated above.

Further, I have carefully reviewed the 1998, 1999, and 2000 District 3 Board meeting minutes. I can assure you there is no motion to approve or to ratify any agreement between District 3 and the Developer or its various companies to convey maintenance to District 3 of these storm water basins.

Finally, there are three good reasons for clearing up this issue once and for all in favor of the residents of District

1) Stop the ongoing cost of \$1300 annually to maintain the ponds

2) Perhaps recovering \$13,000 from VCCDD which we have paid in error since 2000

3) Most importantly, immediately ceasing any potential liability to District 3 from accidents in the water, or future sinkhole expenses.”

Supervisor Goetz requested the Board direct Valerie Fuchs, District Counsel, to search all public records to clearly determine maintenance responsibility for Osprey and The Trough water retention basins and to return within two (2) months with a proposed suggestion of action that District 3 should then pursue.

Chairman Cook stated he would like to request Ms. Fuchs provide a written opinion once the documents have been reviewed.

Jerry Lester, 3153 Gooding Place, provided the Board with documents identifying the location of the two (2) storm water basins and concurred with the Board’s request to have the matter reviewed for further clarification.

CONSENT AGENDA:

Chairman Cook 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 Gail Lazenby, seconded by Bill Ray, with all in favor, the following items on the Consent Agenda were approved:
THIRD ORDER OF BUSINESS: Approval of the Minutes from the Board Meeting held on January 10, 2014.
FOURTH ORDER OF BUSINESS: Adoption of Resolution 14-06 approving the revised District Investment Policy effective the date of approval.**

FIFTH 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 and deferred outflows of the District exceeded its liabilities as of September 30, 2013 by \$19,692,203. Of this amount, \$1,540,672 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 \$1,238,828. An additional decrease of \$349,091 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 depreciation expenses for capitalized fixed assets as shown on page 26 of this report represent a significant decrease to the asset values, offsetting the net position increase resulting from the donation and new additions. Depreciation expenses are provided to reflect the using up over time of the value of items of capital equipment previously acquired, to allow for the planning of the timely replacement of renovation of these assets when required.
- At the close of the fiscal year, the District's governmental funds reported combined fund balances of \$1,854,755, a net decrease of \$538,559 compared to the prior year. Most of the reduction occurred in the debt service fund and resulted from reduction in the outstanding debt principal along with the refunding of both bond issues during Fiscal Year 2012-2013. Of the total, \$593,420 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 \$593,420 or 56.7 percent of total general fund annual expenditures. This provides a healthy contingency for unexpected expenditures.
- The District's long-term debt decreased by \$1,046,396 during the current fiscal year. The decrease related to principal payments made on outstanding revenue bonds during the year ended September 30, 2013.

- During Fiscal Year 2012/2013, the District refunded both of its outstanding bond issues to lower interest costs. The Series 1998 Special Assessment Revenue Bonds with an interest rate of 5.0% were refunded through a bank loan with BBVA Compass Bank at an interest rate of 1.77% on November 1, 2012. Six years remain on this issue prior to final maturity. The Series 2002 Special Assessment Revenue Bonds with an interest rate of 6.5% were refunded through a bank loan with BBVA Compass Bank at an interest rate of 3.04% on May 1, 2013. Nineteen years remain on this issue prior to final maturity. During the refunding of the Series 2002 bond issue, a \$20,000 due to the developer long term debt was paid off, eliminating this liability.
- 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, which is a deferred inflow of resources. Assessments receivable decreased by \$1,367,762 during the year and has a September 30, 2013 balance of \$6,959,409.

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.

Chairman Cook requested clarification of the closing date stated for the second bond refunding. Mr. Miles advised it was closed on May 1, 2013.

On MOTION by Gail Lazenby, seconded by John Goetz, with all in favor, the Board accepted the Audit Report for Fiscal Year 2012/2013 for Village Community Development District No. 3.

SIXTH ORDER OF BUSINESS: Old Business Status Update

Chairman Cook provided the Board with an update from the February 12, 2014 Amenity Authority Committee (AAC) where he addressed the Committee and requested the additional participation to the full 50%, which the AAC agreed to.

INFORMATIONAL ITEMS ONLY:

SEVENTH ORDER OF BUSINESS: Budget to Actual Statements as of January 31, 2014

This item was provided as information to the Board.

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

This item was provided as information to the Board.

NINTH ORDER OF BUSINESS: Approval of revised Budget Calendar for Fiscal Year 2014/2014

This item was provided as information to the Board.

TENTH ORDER OF BUSINESS: Staff Reports

A. Amenity Authority Committee Update

John Wilcox, District 3 AAC Representative, advised the After Agenda from the February 12, 2014 meeting was provided to the Board as information and requested any comments or questions.

B. Investment Advisory Committee Update

Mr. Miles advised the revisions to the Districts' Investment Policy were discussed and recommended to all the Districts for approval. A presentation was made by the Florida Municipal Investment Trust (FMIvT).

Supervisor Dean suggested each Board member review the District's Investment Policy as information.

Steffan Franklin, District 3 Architectural Review Committee (ARC) Representative, reviewed the number of applications reviewed and addressed by the Committee over the past year and thanked Staff for their contributions and assistance provided to the ARC.

The Board thanked Mr. Franklin for his time and service to the ARC on behalf of the District.

Chairman Cook advised beginning with the March 14, 2014 meeting all Village Community Development District No. 3 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 meeting 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.

ELEVENTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

Jim Serianni, 906 Danforth Ct., requested clarification of the deed compliance process followed by the District to address vacant homes in the District. Ms. Tutt requested Mr. Serianni meet with Diane Tucker, Administrative Operations Manager, who will provide an overview of the deed compliance policies and procedures.

TWELFTH ORDER OF BUSINESS: Supervisor Comments

A. Vice Chairman Ray: Governance Improvement Committee Update

Vice Chairman Ray provided an update from the February 6, 2014 Governance Improvement Committee (GIC) meeting advising the high priority items previously discussed by the Committee have been implemented. The medium priority items discussed are under review and the low priority item to consolidate the Districts has had little to no support at this time. Vice Chairman Ray advised an in-depth discussion occurred regarding three (3) potential options for the GIC:

1. Place the Committee on hold until several of the “HIGH” priority items have been implemented. Then meet to review those items; consider possible changes and/or additions and decide how/if the Committee should proceed.
2. Dissolve the Committee at this time; recommend that the CDD Boards recreate the committee as they deem appropriate.
3. Have the committee take a broader, longer range look at a few items:
 - i) Overall budget of CDDs
 - ii) Overall Capital Improvement Plans
 - iii) Overall Purchasing Initiatives and Processes

Vice Chairman Ray suggested Staff add this item to the March 14, 2014 agenda for further discussion.

Supervisor Dean stated the Committee has taken on a large task and suggested one large item be addressed at a time.

Ms. Tutt advised the GIC directed Staff to review and pursue the structure for a potential town hall meeting, with the Supervisors as the audience and District Staff as the presenters, to provide information about how the Districts fit into the community of The Villages as a whole.

THIRTEENTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 12:08 p.m.

On MOTION by Gail Lazenby, seconded by Tilman Dean, with all in favor, the meeting was adjourned.

Janet Y. Tutt
Secretary

Charlie Cook
Chairman