

**MINUTES OF MEETING  
VILLAGE COMMUNITY  
DEVELOPMENT DISTRICT No 4**

The Meeting of the Board of Supervisors of the Village Community Development District No. 4 was held on Friday, February 14, 2014 at 1:30 p.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages Florida, 32162.

Board members present and constituting a quorum:

Don Deakin	Chairman
Jim Murphy	Vice Chairman
Chuck Kazlo	Supervisor
Paul Kelly	Supervisor
Rich Lambrecht	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
Jennifer McQueary	District Clerk
Brittany Wilson	Assistant to District Manager

**FIRST ORDER OF BUSINESS:                      Call to Order**

A.     Roll Call

Chairman Deakin called the meeting to order at 1:30 p.m. and stated for the record that all Supervisors were present representing a quorum.

B.     Pledge of Allegiance

Chairman Deakin led the Pledge of Allegiance and a Moment of Silence.

C.     Welcome Meeting Attendees

The Board welcomed all residents in attendance at a Village Community Development District (VCDD) No. 4 Board Meeting.

D. Audience Comments

No audience comments were received.

**SECOND ORDER OF BUSINESS: District Property Management Reports**

A. Landscape Maintenance Update

Sam Wartinbee, District Property Management (DPM) Director, provided the Board with an update on the following items:

- The cost to repave Springside Terrace will be \$20,802.
- Trimming and mowing is ongoing.

**CONSENT AGENDA:**

Chairman Deakin advised the Board that 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 will occur unless desired by a Board Member or a member of the Public.

**On MOTION by Paul Kelly, seconded by Rich Lambrecht, with all in favor, the Board approved the following items on the Consent Agenda:  
THIRD ORDER OF BUSINESS: Approval of the Minutes from the Board meeting held on January 10, 2014.  
FOURTH ORDER OF BUSINESS: Adoption of Resolution 14-04 revising the District's Investment Policy.**

**SEVENTH 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 \$23,753,534 (net position). Of this amount, \$3,132,872 of unrestricted net assets may be used to meet the District's ongoing obligations to residents and creditors.

- The District's total net assets decreased by \$869,594. An additional decrease of \$607,402 resulted from the restated of beginning net position due to the early implementation of GASB 65. The remaining decrease in net position results primarily from depreciation expenses for capitalized fixed assets of \$640,473 that reflect the using up of the value of the capital assets over time.
- At the close of the fiscal year, the District's governmental funds reported combined fund balances of \$14,429,204, a net decrease of \$771,433, compared to the prior year. Of the total, \$1,095,298 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 \$1,095,298 or 62.2 percent of total General Fund annual expenditures. This provides a healthy contingency for unexpected expenditures.
- The District's long-term debt decreased by \$1,445,154 during the current fiscal year. The decrease relates to principal payments made during the year ended September 30, 2013. In addition, on May 1, 2013, \$361,500 was transferred from the General Fund to the Debt Service Fund to allow for the payoff of all Series 2003 Special Assessment Revenue Bonds for Phase III of District 4. A total of \$420,000 was called on May 1, 2013 to pay off the outstanding bonds. The interest rate charged to remaining members of the Phase III Assessments District was reduced from 6.5% to 4.81%, consistent with the rates charged to remaining parcels in Phase I and Phase II after those phases were refunded. The assessment payments for Phase III received in the future will be made to the District to repay the \$361,500 transfer from the General Fund.
- The Special Assessments are shown as assessments receivable. At the fund level, there is an offsetting line item from unavailable revenue, a deferred inflow, pertaining to assessments due in future years. Assessments receivable decreased by \$920,892 during the year and has a September 30, 2013 balance of \$11,296,792.

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.

Supervisor Kelly thanked Staff and Ms. Painter for providing the Boards the opportunity to hold one-on-one meetings to review the audit. Supervisor Kelly referred to Page 15 of the audit and advised

during the one-on-one meetings he had requested a separate line item be provided, separate from the Repairs and Maintenance Landscape line item to identify Capital Outlay expenditures from Reserve Funds, versus regular maintenance items expended from the General Fund to ensure the numbers are easily identifiable. Ms. Painter stated the format changes would be acceptable and would be addressed by Staff. Mr. Miles stated when the funds expended do not meet the capitalization threshold they are expensed against a specific line item. Supervisor Kelly stated the presentation of the statements seem to reflect a \$300,000 deficit, instead of identifying those funds as reserves which the Board chose to utilize to improve District infrastructure. Mr. Miles advised Staff would provide a separate line item.

Supervisor Kelly referred to the negative balance of \$811,661 included in the Debt Service column on Page 13 and stated this Board closely reviews its finance statements to ensure the necessary revenues are available to cover the expenditures, which this presentation does not seem to identify. Ms. Painter stated the negative balance is due to timing, the number the Board should refer to is the Fund Balance ending number, which identifies the Board's Fund Balance as \$1,080,696. The Balance Sheet reflects that the District will receive more maintenance assessment revenue than the bond payments owed, but that a timing issue has occurred.

Supervisor Kelly stated effective September 30, 2013, the District had a surplus of \$40,000 in revenues versus expenditures made during Fiscal Year 2012/2013 and acknowledged the diligent management of the Board and Staff of the District's funds throughout the year.

Vice Chairman Murphy inquired if a review of the Districts' software system occurred to ensure the existing software is sufficient to address security. Ms. Painter stated the Village Center Community Development District (VCCDD) completed a risk assessment of the I/T services to address a prior year's Auditor Comment. Mr. Miles stated the District issued a Request for Proposal (RFP) and a contractor was selected to conduct the risk assessment, which occurred in November and December of 2013, and District Management was provided with the draft report in January 2014. Items identified were reviewed and discussed with the VCCDD Board. Staff is preparing a response comment back to the contractor so the report can be finalized and presented to the VCCDD Board at their March Board Meeting. Mr. Miles advised there are portions of the report that will not be provided to the public, due to potential security concerns. The assessment included a review of the District's internal controls, software packages, provided a determination of areas of weaknesses identified and provided

recommended action. Ms. Tutt stated TSG, the District's I/S provider and Staff are addressing the recommended actions.

Supervisor Lambrecht stated the statement "over time increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating" is included but does not believe it is the best indicator of the District's position because every year depreciation shows a decrease in the District's net position. Mr. Miles stated over the next 30 years the District is gradually using up its capital assets and will have to periodically expend funds to refurbish the District's assets. As time proceeds, the District will need to make a major investment in its capital assets which will improve the District's net asset position. The primary function of the District is the maintenance of the physical plan, and that statement included in the audit is a primary indicator which advises of the quality of life that is afforded by the infrastructure constructed originally.

Chairman Deakin thanked Staff and the auditors for providing the opportunity to meet one-on-one to review the audit report.

Chairman Deakin stated the Board received an e-mail from Staff advising of some work that was being completed south of Belle Meade Circle and inquired how this work would fiscally impact District 4. Ms. Tutt advised a force main break occurred which is the responsibility of the utility and will not impact District 4.

**On MOTION by Paul Kelly, seconded by Chuck Kazlo, with all in favor, the Board accepted the Audit Report of Fiscal Year 2012/2013 for Village Community Development District No. 4.**

**SIXTH ORDER OF BUSINESS: Old Business Status Update**

- Traffic Engineer review of Calumet Avenue and Legacy Lane Intersection

Supervisor Kazlo stated he reviewed the line-of-sight adjustments which were made following the District's receipt of the report and found them to be an excellent improvement.

Marty Wilbur, Sycamore Avenue, stated the sight line has been improved; however, there is still an issue of the speed of traffic through the Calumet Avenue/Legacy Lane intersection and believes a four-way stop is necessary.

Supervisor Kazlo stated the study conducted did not indicate that the intersection met the necessary criteria to install a four-way stop.

Supervisor Kelly stated speed along the roadway is an issue and inquired if Supervisor Kazlo would contact the Marion County Sheriff's Office (MCSO) and request additional patrols in the near future to help address the speed issue during high traffic times.

Mr. Wilbur stated the issue of speed is consistent throughout the day and does not believe the MCSO will be able to provide the additional patrols because of issues with manpower.

Supervisor Kazlo stated the issue is that the MCSO issues very few citations, but issues a substantial number of warnings. The Sumter County Sheriff's Office (SCSO) issues a larger number of citations versus warnings. Ms. Tutt stated Sheriff Blair of the MCSO has been very responsive to this District's requests. This Board has not made a large number of requests to the MCSO since Sheriff Blair was elected and advised Staff would communicate the Board's request to the MCSO.

Supervisor Kelly stated if there is a regular police presence, like which occurs near the Polo Fields, vehicles would slow down whether the police are present or not. If there were to be police presence in the Calumet Avenue/Legacy Lane area the word would get around and residents would slow down.

Supervisor Kazlo stated the speed of traffic issue is more prominent heading eastbound on Calumet Avenue toward the gate.

Supervisor Lambrecht suggested utilizing the District's SpeedMinder at this location to help remind residents about their speed. The Board concurred.

Chairman Deakin stated utilizing the SpeedMinder; the District could then provide the MCSO with the number of speed violations in the area.

Supervisor Murphy stated there is a similar issue with speed concerns on Belle Meade Circle near the postal facility and fire station.

- Striping of Multi-Modal Paths in District 4

Ms. Tutt stated the Amenity Authority Committee (AAC) addressed the request this Board made to enter into an Interlocal Agreement to fund the installation and maintenance of striping on the multi-modal paths within District 4; however, the motion made did not pass based on a 3-3 vote.

Supervisor Lambrecht stated following the AAC meeting he spoke with Ms. Tutt and advised, per the Settlement Agreement, on issues dealing with the trails, the representative of the Village Center District is obligated to cast his vote with the majority, so instead of 3-3 the vote should have been 4-2.

Ms. Tutt stated she would not speak to the issue of the vote addressed by Supervisor Lambrecht, but advised Staff would bring the issue back to the AAC at the March 12, 2014 meeting.

Valerie Fuchs, District Counsel, stated because it appears there is a question on the vote; she would recommend the proper venue to address the issue would be with the AAC and their attorney.

Supervisor Lambrecht stated “the Settlement Agreement includes a paragraph that is entitled golf and recreation trails: Since the operation and maintenance of golf cart paths, recreation trails, multi-modal transportations and tunnels is an issue that directly effects the residents of the Village Center Community Development District service area and does not directly affect the Village Center Community Development District then the Village Center Community Development District agrees to vote with the majority as it comes before the Amenity Authority.”

Supervisor Kelly inquired what the next step would be.

Supervisor Lambrecht stated he believes when this issue is re-addressed at the next AAC meeting that Mr. Moyer will be obligated to vote with the majority which was 3-2 at that point, so instead of his vote being tied, it would make the vote 4-2 in favor of this Board entering into an Interlocal Agreement with the AAC.

Chairman Deakin stated he attended the AAC meeting and District 4 was the only District. Chairman Deakin requested this item remain on the Old Business Status Update and requested “today’s Minutes reflect our comments regarding that vote and the Settlement Agreement so that our Minutes clearly state what our status is as a District in regards to getting support from the AAC.”

- Cleaning of Curbs and Gutters

Ms. Tutt advised this item was placed back on the Old Business Status Update at the request of Chairman Deakin.

Chairman Deakin stated his request was made following the Board’s receipt of an e-mail from Staff advising a phone call had been received from a resident who expressed concern about the flyer posted at the postal facilities. The resident had requested clarification as to what type of cleaning should

occur to the curbs and gutters and information about the storm water drainage regulations be provided; however, the Board has not seen a response sent back to the resident.

Ms. Tutt stated the requirements are provided for by the National Pollutant Discharge Elimination System (NPDES), and Staff believes the only items that legally fall within these requirements are storm water and rain water. This is the only information Staff would be able to include on the flyer.

Mr. Wartinbee stated where he lives, the Homeowners Association (HOA) expends funds annually to have the curbs and gutters pressure washed, and in the four (4) years he has resided in his home the appearance of the curbs and gutters has worsened because the pressure washer continues to open pores in the concrete.

Chairman Deakin inquired how residents should address the cleaning of their driveways, patios, curbs and gutters.

Supervisor Murphy stated it takes a lot of pressure to clean concrete without chemicals.

Mr. Wartinbee stated there are differences as to what residents can choose to utilize on their personal property versus what the District can do as a governmental agency. The District must set the example and as it pertains to the curbs and gutters, would recommend that Mother Nature be allowed to do as it has done for years.

Supervisor Kazlo stated the majority of the black film on the curbs and gutters is from the chemicals utilized by lawn companies.

Supervisor Murphy stated he believes the worst culprits of the discoloration of the curbs and gutters occurs from residents' pool overflows. Ms. Tutt clarified that it is illegal to have pool water overflow into the gutters.

Chairman Deakin inquired if Staff could communicate with the resident. Staff advised it would communicate with the resident.

Chairman Deakin advised the water retention areas (WRA's) on number 4 and number 5 of Oakleigh Golf Course are showing algae growth. Mr. Wartinbee stated the algae is treated as it occurs. Typically, when heavy rains occur, an algae blooms occurs from the chemicals that were washed from the road surface into the pond.

**INFORMATIONAL ITEMS ONLY:**

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

The item was provided as information only. No discussion occurred.

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

This item was provided as information only. No discussion occurred.

**NINTH ORDER OF BUSINESS:      Staff Reports**

A.      Reminder

Ms. Tutt provided the Board with a reminder that beginning with the March 14, 2014 meeting all VCDD No. 4 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, Staff did not believe it was necessary to do the same. However, if you would like the opportunity to review the set-up of the room prior to the March Board Meetings please contact Jennifer McQueary, District Clerk.

**TENTH ORDER OF BUSINESS:      District Counsel Reports**

There were no District Counsel reports.

**ELEVENTH ORDER OF BUSINESS:      Supervisor Comments**

A.      Supervisor Lambrecht: Amenity Authority Committee Update

Supervisor Lambrecht provided an overview of items addressed at the February 12, 2014 AAC meeting:

- The Committee voted 4-2 to demolish the existing El Santiago building structure and construct a new facility. The new facility will cost approximately \$1.6 million, which is in addition to the \$350,000 expended to purchase the building.
- The multi-modal path at the Glenbrook Gate is being moved behind the gate.
- The Committee directed Staff to lower the card reader at the Calumet Grove gate so it is the same height as other card readers in the District.
- An IRS update was not provided at the AAC meeting, but an update was provided to the VCCDD Board. Staff advised an attorney with specific expertise in the IRS 7805B process, which is the request for relief which was filed by the District to address the Technical Advice Memorandum (TAM) inaccuracies.

B. Supervisor Kazlo: Governance Improvement Committee Update

Supervisor Kazlo stated the Governance Improvement Committee (GIC) met on February 6, 2014 and discussed the possibility of dissolving the Committee or continuing, but to hold meetings less frequently. The GIC voted to remain in existence and would hold its next meeting in approximately 6 months. A report of the meeting Ms. Tutt held with the Chairman was provided to the GIC.

Supervisor Kazlo inquired if the meeting Ms. Tutt held with the Chairman should be publicly advertised. Ms. Tutt stated the Board Chairman Meeting was called to receive input and brainstorm and there is no need to publicly notice this type of meeting.

Supervisor Kazlo stated he suggested to the GIC that it dissolve and allow the Chairman group to address the items identified.

Ms. Tutt stated Staff was directed to begin preparing a Town Hall type joint meeting of the Boards to review community-wide topics such as maintenance, purchasing, budgets and Capital Improvement Plans (CIP), to provide an overview to the Boards of how they fit into the community as a whole. Discussion among the Boards can then occur.

Supervisor Murphy inquired if an item addressed would be software compatibility among the Districts. Ms. Tutt advised all Districts currently utilize the same software and there are no issues of compatibility. Supervisor Murphy stated he does not believe the software designed 15 years ago can be completing the tasks that the Districts are utilizing it for.

Supervisor Lambrecht stated the discussion during the GIC meeting was that there might be topics, such as the meeting that was held to address the home re-painting process, where it would be beneficial to bring all Boards together, which was a good idea, until the discussion moved toward merging the Districts' CIP's and budgets. Ms. Tutt stated the individual District's budgets and CIP's could not be merged, the suggestion made was to utilize a meeting to inform the Board Supervisors how each of the District participate as part of the whole community. Supervisor Lambrecht stated when the topic of purchasing came up, he didn't think there were differences in the purchasing policies per District. Ms. Tutt stated Staff's interpretation was that an educational discussion of how the processes operate between and among Districts would occur. Additional discussion occurred.

C. Supervisor Kelly: Investment Advisory Committee

Supervisor Kelly stated the Investment Advisory Committee (IAC) held its quarterly meeting on Thursday, January 30, 2014 and the Committee had a discussion about the increasing interest rates. The Districts utilize the S-L-Y (Safety, Liquidity and Yield) principle when addressing the District's investable balances, and now that it is anticipated that interest rates will begin to rise, the IAC will be meeting to identify the best way to ladder the investments and provide recommendations back to the District Boards. The IAC will be reviewing each of the District's core and investable balances. This was done approximately two (2) years ago. Supervisor Kelly stated once the review is complete the information will be brought back before the Boards.

Mr. Miles advised the IAC also reviewed the revisions to the Districts' Investment Policies and provided a recommendation to the District Boards to proceed. The only significant revision was to add a benchmark to the Florida Local Government Investment Trust (FLGIT) which was not previously provided.

Vice Chairman Murphy requested a status update of the move to electronic agendas and if that would replace the Districts' utilization of the existing e-mail system. Ms. Tutt stated the concerns this Board has voiced about the webmail system has not been voiced pervasively by other District Supervisors, and the District is not in the position to change its webmail e-mail system. An explanation of the Board's access for the electronic agendas was provided by Staff.

Chairman Deakin thanked Ms. Tutt for calling the meeting of the Chairman and stated he felt it was very beneficial and will assist to streamline the meetings. Chairman Deakin stated a few items that

changed beginning with today's agenda was the addition of the Observation of a Moment of Silence to all agendas and the approval of the Minutes will be included as an item on the Consent Agenda. Staff is preparing a cover sheet which will be included on the agendas provided at the meetings. Additionally, going forward Board Supervisors should contact Ms. McQueary, prior to the meetings, to include items on the agenda so that Staff has the ability to review, research and address these items. Chairman Deakin requested the summary of the Chairman's Meeting be included under Old Business for Board discussion or review, if necessary.

Vice Chairman Murphy stated Robert's Rules of Order does not require approval of the Minutes, but if the Districts want to continue addressing the item under the Consent Agenda that can occur. Ms. Fuchs stated Robert's Rules is a guideline of operating procedures, which have not been adopted by this Board. It is recommended the Board vote on the Minutes which approves the Minutes as the Official Minutes of the Records.

**TWELFTH ORDER OF BUSINESS: Adjourn**

The Board adjourned the meeting at 3:13 p.m.

**On MOTION by Jim Murphy, seconded by Chuck Kazlo, with all in favor, the Board adjourned the meeting.**

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Janet Y. Tutt  
Secretary

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Don Deakin  
Chairman