

MINUTES OF MEETING
WESTSIDE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Westside Community Development District was held Tuesday, May 2, 2017 at 11:00 a.m. at the offices of Hanson Walter & Associates, 8 Broadway Avenue, Suite 104, Kissimmee, Florida.

Present and constituting a quorum were:

Drew Abel	Chairman
Keith Trace	Vice Chairman
Steven Kalberer	Assistant Secretary by telephone
Mike Dady	Assistant Secretary
Scott Stewart	Assistant Secretary

Also present were:

Jason Showe	District Manager
Andrew d'Adesky	Latham Shuker
Santiago Machado	District Engineer
Brian Smith	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the March 7, 2017 Meeting

On MOTION by Mr. Abel seconded by Mr. Trace with all in favor the minutes of the March 7, 2017 meeting were approved as presented.
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Mr. Kalberer joined the meeting by telephone conference at this time.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2017-03
Initiating Foreclosure Action Against
Bahama Bay II**

Mr. Showe stated the status of the delinquency is in the direct bill status and they only have not paid as of this year. We had an agreement with the previous owner it was paid, they went through the entire settlement process, caught the project back up, it transitioned to a new owner and that new owner has failed to pay for Fiscal Year 2017.

Mr. d'Adesky stated that is where we are and pursuant to our discussion with the trustee they agreed to split the cost of the foreclosure proportionate to bond debt versus O&M in terms of delinquency. This allows us to proceed with the foreclosure action against the property and at this point we have sent various demand letters and they have been well informed. Usually parties are pretty responsive to that but when they are not this is usually the next step.

Mr. Showe stated before Counsel got involved I tried to make several contacts with them to no avail.

Mr. Abel asked who is the owner?

Mr. d'Adesky stated Green Gate Lagoon, LLC.

Mr. Dady stated their agent is the same agent as the previous owners.

Mr. d'Adesky stated he seemed to get it in his communications with us and I think he was trying.

Mr. Dady stated they had foreclosure up against them several years ago and they had several stop-gap funding deals.

Mr. Dady moved to approve Resolution 2017-03 and Mr. Stewart seconded the motion.

Mr. Stewart asked they owe \$185,000?

Mr. Showe stated that is the total for Fiscal Year 2017.

Mr. Stewart asked what kind of costs do we have to file legal action?

Mr. d'Adesky stated it is something close to an 80/20 split on the costs between the bondholder side and the District.

On voice vote with all in favor the motion passed.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2017-04
Approving the Proposed Fiscal Year 2018
Budget and Setting a Public Hearing**

Mr. Showe stated the next item is the start of the Fiscal Year 2018 budget process. Resolution 2017-04 approves a proposed budget, which is attached as Exhibit A, it sets the public hearing, which is tentatively August 1st at 11:00 a.m. in this office and it directs us to transmit this budget to the county as required by Florida Statutes at least 60 days in advance of the public hearing.

We started with no assessment increases and most of the landscaping and administrative items are level, we have allocated \$30,000 next year for plant replacement. We are starting a capital reserve fund in Fiscal Year 2018 and that is listed under other sources and uses. We currently show \$172,000 going into that fund but after our conversations with Santiago today we have some projects that need to be allocated out of that funding and we will adjust that as we move forward but we do want to set up a capital reserve fund going forward.

Pages 2 through 7 have the line item descriptions and in cases where we have contracts we have included that documentation. Under lake and wetland maintenance contract with Bio-tec Consulting we added the year three costs that are in their contract.

Debt service is on pages 8 – 13 and is there for informational purposes.

On page 14 we started the capital reserve fund and these numbers may fluctuate through the budget process.

Mr. Dady asked will you explain the reserve again?

Mr. Showe stated typically we set up a capital reserve fund to cover any kind of infrastructure problems such as a lake bank problem or stormwater drainage problem.

Mr. Dady asked we haven't had a reserve study have we?

Mr. Showe stated no, mostly because up to this point we have struggled to get revenues in and we may want to look at a reserve study.

Mr. Abel stated I would like to have a map as an exhibit to say what the money is for as backup behind the 172.

Mr. Showe stated the 172 is really any additional funds in the general fund. To date we haven't set up that capital reserve and we are essentially sweeping all the extra funds into that capital reserve.

Mr. Abel stated at this time it doesn't tie to a specific project but we know the need is going to be there.

Mr. Trace stated on the HOA side, statutes have changed and if you note that you have reserves you have to fund reserves. For the HOA it is for actual structures and roofs and painting, which is a capital reserve not an operating reserve. You have to deficit fund those now. It used to be just once the house is built then a homeowner starts paying in, now it is deficit funded.

Mr. d'Adesky stated that is completely different than the CDD statute, our statute had no change at all.

Mr. Trace asked do we want to put in the budget a capital reserve study?

Mr. d'Adesky stated that is something we can do. Usually that is about \$5,000.

Mr. Showe stated that is something we can do we can solicit quotes. I think your budget has enough flexibility if we decide to wait six months on doing that we can do that.

Mr. Dady asked does this restrict flexibility by setting up this fund?

Mr. d'Adesky stated you can amend the budget so long as you are not increasing assessments.

Mr. Dady asked can you move money from the reserves for an emergency use? We have had in this District and others miscellaneous categories that allow us to use those moneys.

Mr. Showe stated we call it a capital reserve but it is not statutorily required that is a capital reserve. In other Districts we use the capital reserves for tennis court refurbishment, pool resurfacing.

Mr. Dady asked what happens if the reserve builds up over time and are not used? Would it ultimately be turned over to the benefit of the homeowners to reduce bond indebtedness?

Mr. d'Adesky stated they could do what they wanted to, maybe they want a monument or a really cool sign or a fountain.

Mr. Stewart asked do we need to make a decision today?

Mr. Showe responded I don't think there is anything you need to do. It is our recommendation that we start it with the funding levels you have in this District to establish that capital reserve.

Mr. d'Adesky stated I think Jason is saying this is getting us back to normal.

Mr. Trace stated Parcels H, L and M are coming online. Are there increased costs associated with those that will be rolled in here such as new ponds that will be maintained, a section of Westside Boulevard?

Mr. Showe stated I don't know that we have specifically looked at the maintenance responsibilities on those but we will.

Mr. Dady stated you bring new ponds online there will be maintenance responsibilities.

Mr. Trace stated I'm just making sure that we will be covered.

Mr. Showe stated we haven't finalized the numbers but there is approximately \$150,000 that would go into that fund next year so to the extent there are additional maintenance responsibilities we can cover that. The proposed budget doesn't tie the Board to any specific expenses. You are setting a ceiling on assessments with the proposed budget and you can move money between categories.

Mr. Trace stated Tuesdays are becoming cumbersome for some members of the Board. Can we move the public hearing to another day?

Mr. Abel stated as soon as practical let's move the meetings to Wednesdays. There are too many conflicts on Tuesdays.

It was the consensus of the Board to hold the public hearing on Wednesday, August 2, 2017 at 11:00 a.m.

Mr. Showe stated for the August meeting we will prepare a meeting schedule for the next fiscal year to reflect meetings on the first Wednesday of the month at 11:00 a.m. in the same location.

On MOTION by Mr. Dady seconded by Mr. Stewart with all in favor Resolution 2017-04 approving the proposed budget and setting the public hearing for Wednesday, August 2, 2017 at 11:00 a.m. in the same location was approved.

SIXTH ORDER OF BUSINESS

Appointment of Audit Committee

Mr. Showe stated we do have an Audit Committee meeting scheduled to take place immediately after this meeting and the Board needs to appoint an Audit Committee and Chairman.

On MOTION by Mr. Abel seconded by Mr. Dady with all in favor the Board Members were appointed to sit as the Audit Committee and Mr. Abel was appointed as Chairman.

Mr. Dady stated I will note for staff that we should be on the auditor this year, we have had great gains with the District we are no longer in a state of default and it is typical of these auditors to still carry the value from past years and make this look a lot worse.

Mr. d'Adesky stated we fight that fight every year, Jason and I.

Mr. Showe stated I handed out a request from a biologist at the University of Central Florida who would like to visit the Warea Tract because there is a significant flower there. In the past the Board has typically approved those types of requests.

Mr. Dady stated I recommend against such an action as long as there is still undeveloped land in the District. When we are built out let them study the Warea Tract.

Mr. Showe stated I will respond to him and let him know.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated Solara is the new development being built by Mattamy and pursuant to our discussions with them to try to facilitate their development of that tract there were two things we wanted to try to get approval for.

The first is if needed, which may not be needed but approve execution of a plat subject to staff approval if there is a need for us to approve that. Also once that plat is finalized and everything is complete, as we have done in other subdivisions agree to accept the stormwater tracts, conservation and other typical improvements of the kind that we accept for that tract. That is once they are completed to the satisfaction of our Engineer.

Mr. Dady asked why do we need a separate motion when that is what the District does?

Mr. d'Adesky stated we may not need this but for the plat execution if for some reason Osceola County comes to us and asks for that we don't want to hold up their platting.

On MOTION by Mr. Stewart seconded by Mr. Abel with all in favor District staff was authorized to accept the stormwater tracts and conservation easements within the Solara plat subject to staff approval and the Chairman was authorized to execute the plat if needed subject to staff approval.

Mr. d'Adesky stated next is to authorize staff to assist the developer to pursue bond funding subject to a funding agreement, which will be executed by the developer to pay for such costs of any prospective bond issuance for that parcel. There may or may not be any bond issuance but we want to make sure we have that authorization to assist.

Mr. Dady stated that needs some discussion that is new information to me. Are you anticipating floating more bonds?

Mr. Abel stated it is not maxed out but maybe 85% or 90% likely we would like to do something on that. I didn't want to get to plat and change our mind and have to replat. We are going to open and just disclose that we are going to have something and leave it kind of loose but before our first closings make that determination and figure out the funding. I didn't want to have that conversation after we plat.

Mr. d'Adesky stated we don't want to take any kind of actions on behalf of the District without authorization.

Mr. Dady asked you want authorization to have staff cooperate with the developer?

Mr. d'Adesky stated to achieve bond funding. We may need to enter into acquisition agreements, completion agreements, whatnot subject to them agreeing to a funding agreement.

Mr. Dady stated I don't understand the motion, if there is an acquisition agreement of course that is brought before the Board and you consider it at the time but it is done. You are asking us to read the future and possible funding agreements that may not occur.

Mr. d'Adesky stated no but to expend our time to do that in advance.

Mr. Dady stated of course that is what staff does you don't need a motion.

Mr. Showe stated in the interest of safety if there is no motion that the Board has directed staff to start looking at those agreements we can't.

Mr. Dady stated it was an unusual request in the way it was worded but of course staff should cooperate with the developer and do whatever research they need to do.

Mr. d'Adesky stated if I have Board direction I'm comfortable with that and if there is a funding agreement we will bring that back to the Board.

Mr. Dady stated yes.

Mr. d'Adesky stated it is belt and suspenders to cover us so we are not taking unauthorized actions. We do it on all our Districts. It is not only us it is the Engineer who may have to draft an Engineer's report and none of us want to do work that we are unauthorized to do.

B. Engineer

i. Status of Conveyance of Utilities to TWA

Mr. Machado stated we still have the outstanding item with the utilities and getting that turned over to Toho. The list that Toho provided, which was to close-out this item was provide certified cost of construction, which I have done. 2% inspection fee for the improvements that were done, which were the conversion of the force main over to reuse main so it is 2% of the cost to do that for their inspection fee and then a maintenance bond for the work that was done. One thing that they didn't mention that is going to need to be done is since converting that force main over to reuse we need to make the connections at Parcels E, D and C. Right now they are feeding off of potable water and they need to be connected over to that converted reuse main.

Mr. Stewart asked what is the timeline on getting all of that?

Mr. Machado stated I don't have a timeframe on the maintenance bond. They can also do a cash bond if they want.

Mr. d'Adesky stated they can get that in days.

Mr. Machado stated the work to get that completed I just got a cost from a contractor and I expect it will take less than 30 days to do the actual work.

Mr. Trace asked is it the CDD's obligation to convert these properties over from potable to reclaimed?

Mr. Machado stated right, that was part of the construction plans.

Mr. Trace stated when the CDD constructed that main.

Mr. Machado stated yes.

Mr. Showe stated in looking at the quotes if we could get the Board to approve a not to exceed of \$60,000, which will allow us to do the construction work, get the bonds and get all the inspection fees we think that is more than enough to accomplish the whole project. This \$60,000 will come out of the proposed transfer to capital that we discussed earlier.

Mr. Abel asked how did you come up with the \$60,000?

Mr. Machado responded the cost from the contractor to do the conversions was about \$30,000, inspection fees, as-builts and maintenance bond.

On MOTION by Mr. Trace seconded by Mr. Dady with all in favor staff was authorized to complete the reclaimed water improvements as outlined above in an amount not to exceed \$60,000.

C. Manager

i. Approval of Check Registers

Mr. Showe stated we have two check registers, the first is from March 1st to March 27th, checks 1200 through 1210 for \$113,336.84 and March payroll for \$368.57 and that register has a total of \$113,705.41. The next register is for April for checks 1211 through 1219 for \$72,489.48 and we can take any questions you may have on the invoices.

On MOTION by Mr. Trace seconded by Mr. Stewart with all in favor both check registers were approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included as part of the agenda package.

iii. Discussion of Direct Bill Status

Mr. Showe stated there are a couple that haven't paid the May 1st payment yet other than that everyone has paid except for Green Gate Lagoon prior to that.

iv. Presentation of Number of Registered Voters - 432

Mr. Showe stated as required by Florida Statutes we are presenting the number of registered voters and we are up to 432 registered voters. Next year we will begin the transition to General Election.

For those of you who haven't met Brian Smith yet he has been brought under the GMS umbrella and will be serving as the Operations Manager for Westside. Alan is still involved but Brian will be the Operations Manager.

Mr. Smith stated I came out of Celebration I was there for 23 years and managed 13 other Districts and today is my second day officially on this project.

EIGHTH ORDER OF BUSINESS **Supervisor's Requests**

Mr. Trace asked you will bring the meeting schedule to the August meeting?

Mr. Showe responded yes and we can circulate a draft schedule prior to that meeting.

Mr. Trace stated I remember discussion about Windsor at Westside doing some landscape maintenance for part of Westside Boulevard. Did we ever get an agreement with them?

Mr. d'Adesky stated we are going to be doing that. That was kind of tied up with the issues involving Westside Boulevard, which are being concluded. We are executing today the final quitclaim deed to get Phase 2 over to them. All of our issues with the county and with Westside Boulevard were preventing us from entering into an agreement with them. We anticipate that coming in the future.

Mr. Dady stated the SPE signed over its easements for the Parcel H, Fuqua parcel subject to resolution to the Sand Mine Road dedication and Westside dedication. We had a number of caveats before those deeds are conveyed and I want that on record.

Mr. d'Adesky stated those are being resolved.

On MOTION by Mr. Trace seconded by Mr. Dady with all in favor
the meeting adjourned at 11:38 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman