

MINUTES OF MEETING
WESTSIDE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Westside Community Development District was held Wednesday, May 2, 2018 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
Mike Dady	Assistant Secretary
Scott Stewart	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	Latham Shuker
Mark Vincutonis	District Engineer
Brian Smith	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 4, 2018 Meeting

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the minutes of the April 4, 2018 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2017 Audit

Mr. Flint stated next is acceptance of the Fiscal Year 2017 independent audit. We still have a couple findings that will be in here until we clean up all the remaining issues in regard to the default.

Mr. Dady asked do we submit a rebuttal letter?

Mr. Flint stated there was a letter from the Joint Legislative Auditing Committee that we responded to.

Mr. Dady asked how much of our management response got incorporated?

Mr. Flint stated there is a management letter with their findings and our response so our responses are incorporated into the document.

Mr. Dady stated usually they give you an opportunity to provide comment before they publish their final audit.

Mr. d'Adesky stated we can provide comment but they are not going to change the findings they made regarding those couple items. Even if we say, strike this, they are not going to strike it.

Mr. Dady asked did they not provide the District a draft?

Mr. Flint responded yes, this is a draft and we can get edits on things that are editable but these findings are things that are still outstanding.

Mr. d'Adesky stated the component unit finding, which is very common with SPEs that one we have fought with them on many Districts and tried to get it removed, we will try to strike it each time and they just won't do that because of their misunderstanding of what an SPE is and how it functions.

Mr. Dady asked does it now say that there was a lien, but it is up to date and not in default?

Mr. Flint responded there are still some issues although we have agreements, abeyance agreements and all those sorts of things but the reality is the revenue is not adequate to pay the debt service per the debt documents. As long as that is the case, we are still going to have the findings even though we have an agreement that those are held in abeyance. Once those get resolved these comments will come out. We have gotten responses from the Joint Legislative Auditing Committee as a result of these findings, we send a letter explaining that the District is not in a state of financial emergency, we don't need assistance from the state and they go away. It is limited to two findings, one is that the District continues to be unable to make certain

scheduled Debt Service payments and meet Debt Service requirements on the Series 2005 and 2007 Special Assessment Revenue bonds. Even though we have agreements in place and the bondholders have agreed that they don't have to be made right now technically we are in default. Until the bonds are fully restructured so that the debt service payments are not technically required or we have adequate revenue and our debt service reserve is replenished we are going to keep getting that kind of finding. We have a response in here that explains the situation and anyone looking at it would see that response and probably have a good understanding of the situation.

This is filed with the State of Florida and if it has findings it gets forwarded to the Governor's office and the Joint Legislative Auditing Committee and then they review it and if they have concerns we may get a letter from them. In the past we have responded and have not heard from them again.

Right now, we have an obligation to have 100% max annual Debt Service in our reserve. Whether we have an agreement with the bondholders or not that requirement is still in place and they are going to make a finding that we don't meet the requirement and our position on that is we don't have a proactive obligation to replenish that debt service reserve. We may not meet the requirement in the original bond covenants but there is a flow of funds in there that when you collect assessment revenue annually if there is money left over eventually it flows into that debt service reserve account. It is possible over time that would get replenished but our position would be that we don't have a proactive obligation to assess the other landowners within the District to replenish that reserve. If we ever restructure these we can get that reserve requirement reduced or otherwise try to deal with that issue.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the Fiscal Year 2017 audit was accepted and staff authorized to transmit the final audit to the State of Florida.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2018-08
Approving the Proposed Fiscal Year 2019
Budget and Setting a Public Hearing**

Mr. Flint stated next is Resolution 2018-08 and this is a resolution approving a proposed budget and setting the date, place and time of the public hearing for the final budget adoption.

The proposed budget is attached as Exhibit A to the resolution. The Board is not bound by this proposed budget the only issue would be if there was any contemplation that assessments would increase we have additional noticing requirements we would have to comply with. The way we presented the proposed budget is we are keeping the per unit assessment the same as the current year so we don't believe we will need to have an increase in assessments. Between now and the public hearing if the Board wanted to make any changes as long as it wasn't increasing assessments those could be made at any time. It is a start to the process. In our proposed budget column we tried to include any additional expenses that we believe are going to be coming online as part of the new Solara development, etc.

Mr. Smith stated we just got pricing on the Solara area, I went out there with the contractor to make sure he priced it correctly. He added additional costs for the additional landscaping.

Mr. Flint stated we still have money we are transferring out to the capital reserve that we can work with and still not impact our per unit assessment.

Mr. Trace asked streetlights as well? I don't know if that will be a capital cost or O&M.

Mr. Flint stated it will be an O&M cost. Brian is working with Duke but that is a process.

Mr. Smith stated that is for the missing lights on Westside. Any additional lighting in Solara along Westside Boulevard will be added as well.

On MOTION by Mr. Trace seconded by Mr. Stewart with all in favor Resolution 2018-08 approving the proposed budget and setting the public hearing for August 1, 2018 at 11:00 a.m. in the same location was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated Bennett from Mattamy had approached us to see where the turnover was and get that moving. Before the last meeting Mark had looked at a couple items that were delinquent and we sent that list back again because we knew those would be confirmed on the developer side so we can have Mark go out and do a final walk through. It was just sodding, landscaping in CDD tracts, repairing erosion, sodding a berm and removing silts from a dry pond and replacing it with fill and sand. Once those four items are cleaned up we will get that ready to

go. I have all the documents drafted and I'm sending those over to Leslie at Mattamy today for approval. Those conveyances have already been approved by this Board so we will probably look to get that done in the interim and ratify them at the next meeting.

B. Engineer

There being none, the next item followed.

C. Manager

i. Approval of Check Register

The check register in the amount of \$287,576.61 was presented for approval.

On MOTION by Mr. Trace seconded by Mr. Dady with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

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

iii. Discussion of Direct Bill Status

A copy of the direct bill status was included in the agenda package.

iv. Presentation of Number of Registered Voters - 503

Mr. Flint stated a copy of the letter from the Supervisor of Elections indicating that there are 503 registered voters residing within the District was included in the agenda package. We have two seats going to general election in November and three seats are going to be up, Mike Dady's, Scott Stewart's and Steve Kalberer's. The two seats up for general election are Mike's and Scott's and Steve's seat will be going to Landowner Election. That seat, which is seat 3 will end up being the last landowner seat on the Board. After the first Tuesday in November you will have Drew, Keith and whoever is elected to the landowner seat and two general electors, which will be full-time residents that are registered to vote. If no one qualifies the existing person in the seat can hold it over but you have an obligation to eventually appoint a general elector to that seat.

v. Designation of November 7, 2018 as Landowners' Meeting Date (1 seat)

Mr. Flint stated next is designating the landowners meeting date and we are suggesting November 7, 2018 at this location for the landowner election. It is not a Board Meeting it would just be either landowners or proxy holders of landowners that would be present to cast their votes based on one vote per acre or part of an acre and it would be for the one remaining landowner seat. In the agenda is a sample agenda, proxy form so any landowner who wants to participate in the Landowner Election can either physically be here if they are the owner of the property or they are an authorized officer of the entity that owns the property.

Mr. Stewart asked who actually votes for this landowner seat?

Mr. Flint responded anybody who owns land within the District.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor November 7, 2018 was designed as the Landowners' Meeting date.

vi. Discussion of Qualifying Period and Procedure

Mr. Flint stated we put a one-page summary of the process that someone would need to go through to qualify to run for one of the two general elector seats. We don't have any involvement in that other than running one notice in the newspaper, the Supervisor of Elections handles that. Anyone who wants to run for those seats, they have to be a full-time resident within the District registered to vote with that as their address. They can qualify by getting 25 signatures on a petition and those are due by May 21, 2018 or they can pay \$25 and the qualifying period is from noon June 18th to noon on June 22nd.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

On MOTION by Mr. Stewart seconded by Mr. Abel with all in favor the meeting adjourned at 11:26 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman