

MINUTES OF MEETING
REUNION WEST COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Reunion West Community Development District was held Thursday, May 12, 2011 at 2:00 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

John Gray	Chairman
David Burman	Vice Chairman
Marty Pawlikowski	Assistant Secretary
Lee Beekman	Assistant Secretary
Rocky Owen	Assistant Secretary by telephone

Also present were:

Jason Showe	Assistant District Manager
Colt Little	District Counsel
Steve Boyd	District Engineer
Alan Scheerer	Operations Manager
Jennifer Eden	LSEB by telephone
Mike Searles	FrontDoor Communities
Several residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the April 14, 2011 Meeting

Mr. Showe stated the next item is approval of the minutes of the April 14, 2011 meeting. At this point we can take any corrections, changes or adjustments you may have to those minutes.

There not being any,

On MOTION by Mr. Pawlikowski seconded by Mr. Burman with all in favor the minutes of the April 14, 2011 meeting were approved as presented.

THIRD ORDER OF BUSINESS**Consideration of Default Expenditure Requisitions**

Mr. Showe stated the next item is consideration of default expenditure requisitions. Those have been provided to you as part of your agenda package. We can take any questions at this time.

On MOTION by Mr. Pawlikowski seconded by Mr. Burman with all in favor default expenditure requisitions 61-65 were approved.

Attorney

Mr. Little stated Jennifer Eden just joined the conference call and she is the litigator in charge of the Reunion West Fourth Quarter foreclosure action and also on the Ginn Reunion Borrower foreclosure suit in Reunion East and West. This meeting is for Reunion West so we will just be discussing Fourth Quarter foreclosure and I have some related information on the Ginn Reunion Borrower foreclosure.

Ms. Eden stated we went in for Summary Judgment on this matter and there were some defenses that were set forth by Wachovia and the hearing was held in front of a Judge two months ago. In that hearing there were several defenses that we had grounds for and we did not get every single defense that we had without getting into the part of that is confidential, we went ahead and won on first grounds and there were other defenses we could have. We were contacted by counsel from Wachovia asking why the Summary Judgment was granted saying they intended not only to move for a rehearing but to appeal the decision because they did not agree with the ruling. We do not agree with that, but in that effort to not have a re-hearing, Trustee's Counsel wanted to have a meeting with Wachovia's counsel now to see if they can work it out and settle the matter before we went back and had an appeal or re-hearing, etc. We were hoping that meeting would end up in a resolution and it did not. We received word a week or two ago that they were not able to seek a resolution and upon the recommendation instead of going for the rehearing and having an appeal and spending money that I think is senseless we are going to seek hearing the full argument on summary judgment and not have the judge just come in on one part of our argument. That is scheduled for June 7th and once that goes forward the

judge is not only going to hear what he has already ruled on he is going to hear the rest of what we have to give.

Mr. Little stated we are having a hearing on June 7th for an amended summary judgment.

Ms. Eden stated it is not amended. Our summary judgment is to say what we are going to be doing, without getting into confidential information, we are going to make sure that all the defenses that were raised are not met because we prevailed on the very first one and we got the summary judgment. There were other issues raised and we want to have heard before the court. That way if it goes to appeal and they don't agree with the judge, we'll have everything heard, we won't come back now and say oh, by the way, you agreed to the summary judgment, they went up on appeal and now we have to argue our defendants, we get it all done at once. I think an appeal would not be beneficial to anybody.

Mr. Little asked does the Board have any questions as to that particular case?

Mr. Gray asked if on June 7th the judge hears the balance of the summary issues, rules in our favor and they file an appeal, what is the timeframe for the court?

Ms. Eden stated if they file an appeal they have to file it within 30 days of the rendition of the summary judgment order then they have to do it within 60 days of their initial brief. Typically I will tell you they are not to ask for more than one extension and they will give that to them but it is another 30 day extension then we respond then they get a reply. One thing that is great is that it is a factual issue so you don't have huge records to go to the appellate court but that doesn't make the appellate court move any faster it just makes the expense of having to prepare the record and the attorney fees going into it but it doesn't move the court any faster. You are looking at an average of an appeal being 9 to 11 months. Our thought was you are looking at an appeal date that long if they are just going to appeal it on one issue and then come back with another issue, we want it all going up at one time. Typically the judge would have said to us to save money hear all of your defenses instead of at the get go when their initial defense came out they responded and he said I'm going to render the summary judgment now.

Mr. Little stated we just hope they don't appeal.

Ms. Eden stated I think that is why Trustee's Counsel wanted to meet with them and see if they could maybe resolve it because as they are going for this appeal, we are very comfortable with what we argued and what the law is, but the appellate thing is just longer and longer and longer for the process to draw out, so instead of saying let's resolve this versus having to take

this all the way up to the appellate matter and at that point I said if we are going up to the appellate matter and we are not able to resolve it then I want everything going up on appeal and I don't want them to get to appeal one judge's decisions and then have to go back and argue, arguments 2, 3, 4, and 5 and go back under repeated appeal. It would be beneficial for them because they get to string it out longer.

Mr. Pawlikowski asked if it goes all the way up to appeal and we prevail is there a reimbursement for our legal costs associated with the appeal?

Ms. Eden responded under the CDD agreement you typically are not supposed to get your fees but if we file this offer of judgment, that's something we will think about, but an offer of judgment would allow me to say either you pay us the amount of money or we will foreclose on you and they don't pay and we foreclose, under the offer of judgment that is another way for us to get attorneys fees when they are not provided for. I could come here and say we won, what I don't want to do is having won something piecemeal and have the ability to string it out to attack other things.

Mr. Little stated while you are on the phone I will mention an update on the Ginn Reunion Borrower foreclosure. Before our last meeting the complaints were filed and subsequent to the last meeting both defendants were served, Ginn Reunion Borrowers served on April 14th and Wells Fargo acting as trustee for Morgan Stanley Trust that actually holds the mortgage on the property was served on April 22nd so we are currently in the answer phase of the litigation waiting for answers to be filed by both of those defendants. We have not received an answer from either of them at this point so we are just waiting for that.

Ms. Eden left the conference call at this time.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2011-03 Approving the Proposed Fiscal Year 2012 Budget and Setting a Public Hearing

Mr. Showe stated the next item is consideration of Resolution 2011-03 approving the proposed budget for Fiscal Year 2012 and setting a public hearing. The resolution approves the attached budget, which is attached as exhibit A. It is important to note this is a proposed budget there is an opportunity to do additional workshops or make any changes the Board would recommend but this is the first step in the budget process. It sets the public hearing for August 11, 2011 at 2:00 p.m., which is your regular August meeting. It also allows us to transmit the

proposed budget to Osceola County, which we are required to do at least 60 days in advance of the final budget hearing.

When you go through the budget you will notice it is pretty similar to the 2011 budget. We haven't proposed any assessment increase, we kept the assessments level with what is currently being assessed now. I think the majority of the operations remain in tact and everything is pretty standard to what the Board has looked at for the current fiscal year. I can take any questions you may have.

Mr. Gray asked what about the trustee fees? Have none been incurred so far or they haven't been billed?

Mr. Showe responded they just haven't been billed generally they get billed with the May 1st payment. On some account lines we have included increases just for inflationary changes. As we get closer to the end of the budget cycle we look at tightening up some of those numbers depending on what the contractors are looking at.

On MOTION by Mr. Pawlikowski seconded by Mr. Burman with all in favor Resolution 2011-03 was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no additional report, the next item followed.

B. Engineer

i. Consideration of Requisition

Mr. Boyd stated we have one requisition for Woolpert for services over the month of March in the amount of \$246.37 and is requisition 628.

On MOTION by Mr. Pawlikowski seconded by Mr. Burman with all in favor requisition 628 in the amount of \$246.37 was approved.

C. Manager

i. CDD Action Items

Mr. Showe stated the next item is the action items list. We have posted the draft minutes to the website. We have now started to post the entire agenda package on the website for the residents to view. It is a large file and may take a little while to download but everything is there and available. Mr. Glasser was to meet with Mr. Searles on the common area landscape issues. Is there an update on that?

Mr. Searles stated it is almost complete.

Mr. Scheerer stated there was a question raised as to whether or not we could go in and remove fallen trees and branches within Davenport Creek. There was a question raised about the creek damming up, overflowing and flooding properties and in speaking with the District Engineer there was a study that was done that basically states that it would be a 100 year flood plain.

Mr. Boyd stated it was normal maintenance that should be taken care of to keep that clear.

Mr. Scheerer stated we can perform just some general maintenance in there but the permits are not going to allow us to go in there and remove anything that is currently growing in there. We can go in and remove small amounts of debris should it become an impediment to the flow of water so we will do that.

Mr. Boyd stated we are still pulling together documents and researching the issue of Grand Traverse street lighting. The other item that would affect depending on what we find it would be an additional expense that would go in the upcoming budget. There is some possibility that we can address that but it would increase the operating budget and that is what we are trying to finalize.

ii. Approval of Check Register

Mr. Showe stated the next item is approval of the check register for checks 533 through 538 in the amount of \$274,212.28 and you also have April payroll in the amount of \$754.80 for a grand total of \$274,967.08.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor the check register was approved.

iii. Balance Sheet and Income Statement

Mr. Showe stated the next item is the balance sheet and income statement. These reports have been provided for your information. There is no action required by the Board on these. The last page shows our collections for the year both on roll and off roll. For on roll we are 70% collected and we expect that to increase once we get the tax certificates sales in.

iv. Status of Direct Bill Assessments

Mr. Showe stated the next item is the direct bill status sheet and you will see that we still have no payments for Ginn Reunion Borrower and Fourth Quarter, which we talked about earlier.

v. Presentation of Number of Registered Voters

Mr. Showe stated the last item is the presentation of the number of registered voters. We have a letter from the Supervisor of Elections for Osceola County advising that as of April 15, 2011 the total number of registered voters within Reunion West is 31. We are required to present this to you annually. Once you have 250 registered voters and the District has been in operation for six years you will transition to the general election process.

SIXTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed

SEVENTH ORDER OF BUSINESS

Supervisors Requests

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Audience Comments

A resident asked the improvements you made along Reunion Boulevard there are not going to be any trees between the sidewalk and the street? Is that the CDD's property?

Mr. Searles responded the right of way is CDD.

A resident asked is there any chance we can put some type of trees there?

Mr. Searles stated I don't know, I'm done. I'm officially done. I doubt they have the funds to do that.

Mr. Showe stated it is probably a funding issue and we have another community we are dealing with in another county but any time you plant trees between the curb and sidewalk you will be prone to a lot of sidewalk raising because the roots of that tree start to expand under the sidewalk. We are spending probably \$10,000 to \$15,000 a year in another community just to deal with trees once they age and get to that point.

A resident asked so what they did on the east side was done wrong?

Mr. Scheerer stated I don't recommend trees planted between the sidewalk and curb anywhere. It has become a very large expense in other districts. We are constantly replacing panels and grinding sidewalks because of safety issues and I think if we did that and anything that caused a safety hazard that would cause someone to trip and fall I think we are liable.

Mr. Searles stated I think they are going away from that. In my neighborhood they had to tear out hundreds of sidewalk sections that had raised due to the roots of trees.

Mr. Scheerer stated we just counted 800+ trees, measured diameters and number of panels over the last three days in Brevard County for the very same issue.

A resident asked what about some shrubbery or something?

Mr. Scheerer stated we know there is no irrigation in the area.

A resident stated there is now.

Mr. Scheerer stated it is on the other side of the sidewalk. I don't know that funds are available to make any improvements at this time but who is to say we can't do it at a later date when things get better.

A resident stated it could be put on a list of things to look into. I think we ought to perk it up a little bit. We would like to get some equality to what the east side is.

Ms. Sloman stated I live at 1400 Reunion Boulevard next to the transfer station and I'm wondering whose responsibility it is to maintain the trees and shrubbery between my house and the transfer station.

Mr. Scheerer stated I know the palm trees were recently trimmed around the transfer station on Reunion Boulevard.

Ms. Sloman stated I'm particularly interested in the trees that were and they probably should be replaced between my property and the transfer station.

Mr. Scheerer stated I believe that is county property it is not CDD property but I know Austin has been let in there a couple of times to clean it up.

Ms. Sloman asked whose responsibility is it?

Mr. Boyd stated Toho Water Authority owns that property. Any buffer on the private side of that would not be their responsibility so it depends on where it is.

Ms. Sloman stated I think it is probably theirs because it is on the other side of my hedge but I'm watching the palm trees die. I have been here since September and so far three are gone.

Mr. Scheerer stated to my knowledge there is no irrigation in there.

Ms. Sloman stated there is and I notice when it comes on it is watering the woods behind there.

Mr. Scheerer stated I will get with Greg and Troy and if there are irrigation issues that typically shuts down if it is a problem with the irrigation system because it is all computer controlled. I can look into that with Austin Outdoor and see if we can get some answers with respect to that property. It is not the District's property.

Ms. Sloman stated if not then maybe there is another underlying problem.

Mr. Scheerer stated I will get with Austin Outdoor and see what we can do to resolve that problem.

Mr. Harding asked are we still planning on painting the lines on the bridge for safety purposes?

Mr. Boyd stated I looked into it and looking at all the bridges combined, which would include Reunion East and Reunion West, it is probably \$5,000 to \$7,500 to put double yellow down the middle and white stripes on either side. That is a ballpark of where we are and with the Board's authorization we can pursue that.

Mr. Harding asked isn't that a safety issue?

Mr. Boyd stated I agree it is something that we probably should look at doing.

Mr. Burman asked is there striping on all the streets?

Mr. Boyd responded we don't have centerline striping because you typically don't put centerline striping down neighborhood streets. There was a question last month about could we do it because people driving over I-4 especially kind of lose track of where they are on the bridge. To put four stripes, two white on either side and a double yellow in the middle based on the per linear foot cost for thermoplastic striping, which is what you would want is about \$1 a foot and there is about 1,000 feet all combined times 4 and that is \$4,5000.

Mr. Little asked does that thermoplastic stick to concrete? I thought they wouldn't do thermoplastic on concrete.

Mr. Boyd stated it will. If you went with paint you are probably looking at three quarters of that cost.

Mr. Kane stated the white striping along the outer edge normally is to denote a shoulder on the road and people in theory could have space to the right of those white lines for emergency purposes. That doesn't exist on that bridge. There is a pedestrian walkway on the other side of the barrier. Why couldn't we just paint the center stripe at half the cost? That is where the safety issue really lies. I cannot imagine a white stripe being more than inches from the barrier and someone would scrape the side of their car if they got close to that white line. I would think the yellow down the middle is all we really need.

Mr. Boyd stated you could do that.

Mr. Kane stated that is \$2,000 in my mind we can squeeze out but \$4,000 or \$5,000 seems like an awful lot of money.

Mr. Boyd stated you could certainly do that.

A resident stated you mentioned lighting before. Is there any consideration for lighting that road because there aren't any lights there?

Mr. Boyd stated the streetlights property-wide have been facilitated through lease agreements with either OUC or Progress Energy and they were all set up just to do the streets not the alleys.

Mr. Scheerer stated the alleys are private. That is your POA.

Mr. Kane stated while we are talking about lighting the lighting issue was previously discussed as part of the Board agenda, Grand Traverse Parkway. At the last meeting there was some discussion about possibly looking to the county for some assistance in funding. Is it clearly CDD property?

Mr. Little stated as far as that lighting goes and I talked to George about it I think that parcel at the corner you would have to have a photometric study done and they would make you put street lighting in there for any kind of curb cut going into that commercial development. I have a feeling that is what we are waiting for, future development.

Mr. Pawlikowski stated I think the corner parcel would certainly require the lighting to be done. I was with Ginn at the time the work was done but what I don't understand is going from

that parcel site at the bridge that goes over Davenport Creek so Davenport Creek bridge all the way to the end, why that was not included in the lighting with the development I have no idea. That just doesn't make any sense. I see reserving it out to the corner parcel with that development because of the photometrics. We talked a little bit about it before the meeting occurred and we need to see if there were any plans that actually included it because my recollection is the power company actually drew the plans for the lighting.

Mr. Little stated oddly because Osceola County before we turned over the roads they had bonds on it and even though they are not county maintained roads they still required them to be built and designed to the county spec.

Mr. Pawlikowski stated what I don't know and I don't know the code well I'm not sure Osceola County code requires residential streets to be lit. Therefore, the bond would not include that.

Mr. Kane stated I don't live on the west side but I frequent the west side and it is definitely a safety issue. Summer nights, heavy driving rain, going over that bridge it is treacherous. When you are driving out of Castle Pines or Desert Mountain or any of those residential streets on the west side and you are leaving the area to get back to the main road it is treacherous in a driving rain and it is totally pitch black. If it is a lease what is the actual capital outlay from the CDD relative to putting in the lighting when it is a lease?

Mr. Pawlikowski stated I'm guessing where the cost actually lies is not in the lighting because you can probably get the power company to come out and put lights in without a cost other than the rent. The difference is you are not going to have light fixtures and light poles to match what is out there. Those are non-standard fixtures and poles as I recall.

Mr. Kane asked can't we have an upgrade?

Mr. Pawlikowski stated we can go to the upgrade but then you have to pay for it out of pocket.

Mr. Kane stated those are the things that we need to know and consider. Just looking at the budget and I appreciate the fact that you kept things flat but I would hope between now and the time you actually have the budget hearing you take a good look at the actuals and see if we can scrub it a little bit closer so that if we need to fund projects like the lighting, we can find a way of doing it. There are some categories that I see there is room to shave a little closer.

Mr. Boyd stated I think between the work that George, I and Alan are doing by the budget hearing we will be able to answer that question and have what the costs are.

Mr. Showe stated we are trying to project the next six months of expenses from the first six. We try to be as conservative as we can and as we move closer we will scrub those numbers and see if there is room to accommodate some of the little projects.

Mr. Pawlikowski asked Alan are you going to call Progress Energy?

Mr. Scheerer responded I can call Progress Energy and try to get them out as soon as possible to look at that section and we can get an estimated cost. I know we use Victorian poles and fancy poles throughout the community and we can do that or we can price it with a standard light pole. I will try to get those numbers by the next meeting.

A resident stated there are a lot of youngsters that use that road to get to and from the facilities it is wet and dark.

Mr. Little stated it definitely can't be pushed back to the county, it is 100% a CDD issue as far as the decision because the county is not going to do it.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor the meeting adjourned at 2:36 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman