

University Park Recreation District

Consideration of Minutes Of the April 23, 2019 Board of Supervisors' Workshop

MINUTES OF MEETING

**UNIVERSITY PARK RECREATION DISTRICT
BOARD OF SUPERVISORS WORKSHOP
Tuesday, April 23, 2019 at 10:00 a.m.
University Park Country Club, Card Room,
7671 The Park Blvd.,
University Park, Florida 34201**

Board Members present at roll call:

Lisabeth Bertsch	Board Member	
Steve Ludmerer	Board Member	
Mike Smith	Board Member	
Bob Wood	Board Member	(via phone)

Also, Present:

Carol Harris	PFM	
Mathew LaPointe	Blalock Walters Law Firm	
Laurie Evans	Country Club	
Curtis Nickerson	County Club	
Hank Fishkind	PFM	(via phone)
Various Members of the General Public – See Attached		

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order at 10:04 p.m. Those in attendance are outlined above.

SECOND ORDER OF BUSINESS

Opening Comments

Mr. Smith stated that Mr. Wood is out of town and caught on a business trip and unable to attend and Ms. Kopnisky had a conflict. He explained that there will be a 45 minutes workshop discussing current issues. At 10:45 the workshop will adjourn and the District will then go into a Special Meeting at which time the board can decide to take action if actions are appropriate.

THIRD ORDER OF BUSINESS

Public Comment Period

Mr. Smith opened the floor for public comments.

Mr. Charlesworth asked if a countersuit has been filed. Mr. Smith responded that the lawsuit was originally going to be amended which is required by the Judge in order to proceed. It was important to have Manatee County involved in the suit because they were the party that was responsible for the formation of the Recreation District. There were a series of extensions that were made to that and then the Plaintiff amended the suit and it was filed recently and there is an affidavit requesting 56 subpoenas which include a lot of people on the Planning Committee, Neighborhood Chairs, and including the HOA. He noted that the Board will be developing a timeframe for a shade session which allows the Board to go into a private discussion with Legal Counsel to discuss the lawsuit.

Ms. Harris asked who just joined the call for the record. Mr. Wood joined the call via phone at 10:07 a.m.

University park Recreation District has not countersued the Plaintiff. The District responded to the initial lawsuit and they will respond to this lawsuit and defend it vigorously.

FOURTH ORDER OF BUSINESS

Reports from the Functional Areas

- a) District Management Coordination**
- b) HOA Liaison**
- c) Communications & PR**
- d) Finance and Capital Improvement**
- e) Legal & PSA**

At the last meeting the Board assigned Board Members to each functional area.

Mr. Wood stated that he had nothing to report regarding District Management coordination. He spoke to Dr. Fishkind about a couple issues but nothing that needs a report yet.

Ms. Kopnisky is the HOA Liaison but she is not available. Ms. Harris stated that Ms. Kopnisky sent her an update. The HOA is continuing the process of the turnover preparations included but not limited to revising the governing documents and definition and holding workshops for all residents to attend and offer their comments and suggestions. The water rights issue is ongoing and complicated and will eventually require a resolution agreement with the RD and its use of the water.

Ms. Bertsch provided an overview regarding communications and PR. The second newsletter went out this past week. The District cannot send out a mass email to everybody. The residents much chose to opt-in. Ms. Evans put a link on the UPCC webpage. Residents can go there or Universityparkrd.com to get the newsletter. She spent 1 ½ hours on line and on the phone with Ms. Harris yesterday and website developers. The goal is to make the site more user friendly. A redesign was done and it is significantly better. There are some things that the District must abide by with ADA compliance. The Lighthouse has multiple readers in order to read the website. She noted that some of the things the Board wants to do on the website cannot be done because the

readers cannot read them. She had a discussion with District staff on all the financial documents and legal documents. By law the District must have it in one place on the website. She noted that when the Developer says they want a final review of the website she would like someone besides herself to sit down at that review and take a look. She suggested multiple people that she was thinking about to do that review. She will reach out for volunteers.

Mr. Ludmerer provided an overview on finance and Capital Improvement. He discussed the status of the short term loan. Mr. Smith stated that the loan has not been signed yet.

Mr. Ludmerer stated that there is not sufficient funding in the short term loan for the litigation expenses. Mr. Smith thinks that the loan will be signed this week.

Mr. Smith provided an update regarding legal & Purchase Sales Agreement. The District has an extension that was agreed upon by the sellers regarding water rights and the due diligence associated with it. The District asked for a 45 day extension on that and the sellers agreed. He explained the sellers concerns. He explained the current sales agreement and outstanding items. If the District does not consummate the agreement by June then the District has a \$46,000.00 penalty clause it will go up each month until September. At the end of September the District no longer has an agreement and are out of the timeframe for the agreement. He explained the Board election process that will come about in October.

He discussed the lawsuit and his opinion that the lawsuit was filed to derailing the democratic process and creating delay to create cost, frustration, anxiety, and patience. The District has a June date to get a contract completed. The District cannot get funding for bonds because the District does not have validation and the District cannot get validation until the court process is completed. He stated that the Board needs to buy out the Club and even use traditional financing and not bonds for right now. Mr. Smith and Ms. Bertsch agreed. Mr. Ludmerer agreed.

Mr. Thompson asked alternative funding. Mr. Ludmerer responded that the prospect of seller financing is among the options that are being considered. Mr. Smith responded that the Board will choose the most cost conscious acquisition they can but they need to get it done now. Mr. Ludmerer added that the County Commissioners approved this ordinance with full understanding of the law and discretion they were granting the community.

Ms. Bertsch stated that she received no emails regarding the fact that the assessment would be around \$1,000.00 per home. Mr. Smith received 7-8 emails asking where to send their checks. Mr. Ludmerer received some emails to suggest greater funding to be as aggressive and assertive in the District's legal action as possible.

Ms. Grey asked if there is any recovering the legal fees at the end of the process. Mr. Smith stated that the Board is evaluating that and will be one of the legal strategies they will be discussing.

Mr. Kenwood asked if that would include investigating the motives of the Plaintiff of the lawsuit. Mr. Smith stated that the Board has not discussed that but they will be looking at that. Mr. Wood stated that each Board Member has spoken to the District Counsel individually regarding the number of offensive actions the Board can take in response to what has been done.

A resident asked if Manatee County shut the lawsuit down if they decide that it is frivolous. Mr. LaPointe stated that is not how it works. The County does not have that kind of authority and they are a Defendant in the case just like the District. They can bring motions to try to dismiss the case. Mr. Smith stated that with any action it can always be appealed.

Mr. Casey asked if arbitration is an option. Mr. Smith stated that it would not be from the District's standpoint. Mr. LaPointe explained that when a lawsuit is brought the court recommends that the parties mediate which is different from arbitration. The Court does not have a right to order arbitration. The District has tried to settle and it has not gone anywhere.

Residents asked if the Board knew the Plaintiff's back history because he moved in the community in 2017 and there is question regarding his motives. Mr. Smith expressed that his opinion is that it is a delay tactic. Mr. Wood stated that he has a small group of supporters and providing financial resources and legal maneuvers to him.

FIFTH ORDER OF BUSINESS

Status and content improvements of the RD Website

Ms. Bertsch had nothing further to discuss.

SIXTH ORDER OF BUSINESS

Status and review of Weekly Board Update/Status from District Manger and Legal Counsel

Ms. Bertsch stated that the Board Members got this last week and what was of note was in the newsletter.

SEVENTH ORDER OF BUSINESS

UPCC Acquisition Related Items

- a) Status of Mutual Co-op Agreement**
- b) Status of Due Diligence on P/S Agreement**
- c) Status of Liquor License**
- d) Status of Designation of an oversight Director for UPCC LLC**

Mr. LaPointe stated that there has been some progress on the due diligence on UPCC employees and the costs associated with operating that. For the liquor license he still feels that the process will be for UPCC to hold that liquor license but he does not have conformation from the HOA on that. Mr. Whyte stated that he has received the letter and the rest of the Board will discuss and respond.

Mr. Ludmerer stated that the Board has a concern that the RD reciev the volume of water it historically has needed in order to maintain Club and associated RD facilities. Since the funding of the water rights are parred with the Purchase and Sale Agreement the Board anticipates the water will be available to the District at nominal cost. The seller expected that will be the case at closing.

Mr. Whyte discussed water rights vs. water permit. It was stated that there is a difference between holding water and having the right to use the water. There are two entities that have the ownership rights of the water and contracts with the HOA and UPCC whereby HOA and UPCC have the right to use the water. The idea contained in the UPRD Purchase and Sale Agreement is that the water usage Contract is going to be transferred and the parties that currently own the water are transferring their part to the HOA and the party that has the usage right to the water is UPCC and transferring its rights to the UPRD. Mr. Whyte commented on the water rights and license agreement. The Board discussed the water license agreement and the cost associated with it.

Mr. Wood stated this is an issue being handled between the two legal staffs and suggested the board not deal with it here until the lawyers have had a chance to go through this and come to some sort of agreement and present their conclusion on what the legal definitions and legal rights are. He suggested tabling this for now and bring it back after legal discussion. Mr. Smith agreed and noted that there is a 45 day extension.

Mr. Whyte discussed the Water Usage Agreement. Southwest Water Management District decides what is in that permit. The current permit expires in 2021. The HOA is working with the owner of the Club on the renewal of the permit they will inform the RD what gets decided. Mr. Smith stated that the District will work this out in the coming period of time.

Ms. Harris asked who joined the meeting via phone. Dr. Fishkind joined the meeting via phone at 10:45 a.m.

Mr. Smith asked is Mr. LaPointe had anything to discuss regarding the status of designation of an oversight Director for UPCC LLC. Mr. LaPointe had nothing to report on the issue.


EIGHTH ORDER OF BUSINESS

Adjournment

There were no other questions or comments. Ms. Harris requested a motion to adjourn the meeting.

ON MOTION by Ms. Bertsch, seconded by Mr. Ludmerer, with all in favor, the Tuesday, April 23, 2019 Workshop for University Park was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman