

MINUTES OF MEETING
REUNION EAST
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Reunion East Community Development District was held Thursday, February 8, 2018 at 1:00 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

Carlton Grant	Chairman
Mark Greenstein	Vice Chairman
Steven Goldstein	Assistant Treasurer
Don Harding	Assistant Secretary
John Dryburgh	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Steve Boyd	District Engineer
Alan Scheerer	Operations Manager
Mark Yahn	SunScape Landscape Consulting
Rob Stultz	Yellowstone Landscape
Daniel Baker	ACP Communities by telephone

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Bissoon: 7474 Excitement Drive, Unit 302. We want to know when the Terraces pool is going to convert to gas so we can heat that pool.

Mr. Scheerer: As the Board recalls you entered into an easement agreement with Teco, the problem we had and are still fighting is the ownership issue that may be clarified by now. On one of the parcels that Teco did not get the easement agreement from the property owner, so we got it from the Condo Association and from the CDD but the landowner did not respond with his easement agreement. Right now, we don't have any of the easement agreements that are

necessary to convert to natural gas and Teco is now telling me that we may need to start the process over. We heat the pool during the all the holiday seasons, spring break, Christmas, New Year, Thanksgiving and we have done that with propane gas but it is not cost effective to continue to use propane as the primary heat source. I am working with Teco and Karen Byron at the Terraces Condo Association to try to get the rest of the documents cleared up. Once they are cleared up we will bring that back to the Board at a future meeting for review and approval.

Resident: The problem with just a little heat in the wintertime, it is not useable.

Mr. Scheerer: We have another pool right down from The Terraces that is heated.

Resident: Yes, but not for swimming laps.

Mr. Scheerer: We will look into doing that.

Resident: I have been swimming laps at 7:00 a.m. and there is no one there.

Resident: The hot tub is not working.

Mr. Scheerer: The hot tub is working. We maintain those pools twice a day, somebody is there first thing in the morning, they clean and then go back in the afternoon and check everything again. I know the hot tub was working this morning.

Resident: Your guys may have been there but there was no drinking water.

Mr. Scheerer: I will give you my card and any concerns with that pool you can relay directly to me. The drinking fountains as you know are in a duplex receptacle, they are GFI protected and if there is a power surge or something like that it is going to trip the GFI and that is not going to allow the fountain to work. It is a simple fix and we can take care of it right away.

Mr. Flint: As far as the easement goes I will be involved also and see if I can help with whoever the property owner is and maybe we can get that moving.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the January 11, 2018 Meeting

On MOTION by Mr. Harding seconded by Mr. Dryburgh with all in favor the minutes of the January 11, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Presentation from Reunion Resort & Club Regarding MSA and Addition of Heritage Crossing Community Center and Horse Stables

Mr. Flint: Next is an issue that has been on the action items list and that is information from the Resort regarding a proposal to modify the management services agreement addressing the horse stables and Daniel Baker is on the phone and he has been working with Carlton.

Mr. Baker: Our intent was to provide you a written outline for the two facilities and I didn't forward that before this meeting, but I will lay out the concept and if it sounds like something the Board will entertain then we can put it in writing. As I mentioned at the last meeting the club looked into how to maximize the facilities and keeping the goal of the CDD to keep it open for general use. We came up with a structure where the club would manage those two facilities including events, collection of fees, as well as coordinating with the CDD regarding it being reserved for CDD functions and doing that we will take care of the administration of calendars, the facility, locking doors. We would accept all the users and schedule events at the facilities at each amenity and in looking at the market, the maintenance fee would be on the order of \$400 per four-hour event. In doing that, the club would collect the fees from the users and pass that along to the CDD for revenue. That user based fee because of the market as commodity, we would look at that on an annual basis based on the market. The club would be responsible for the routine maintenance of the facilities, help keep it clean and the CDD will be responsible as it is, whether we're involved or not. The other costs of the facility would include capital expenses which would be needed to bring the facility up to hospitality standards. We would look at an agreement similar to Seven Eagles that would detail the obligations and sharing of revenue for a three-year term with auto renewals.

Mr. Goldstein: Do you have an anticipated cost for upgrading the hospitality kitchen?

Mr. Baker: I think Carlton would be in a better position to answer.

Mr. Grant: I think you hit the nail on the head. We are sitting at Heritage Crossing now and the carpeting is still in good condition, it needs a good cleaning but there are some things such as the walls that have pretty bad dings and scuffs and scratches, painting that needs to be touched up. I think the Heritage Crossing Facility is somewhere in the \$5,000 range to get some of the things done. It depends on the condition in the other areas returned from Encore. The stables facility really needs a good pressure washing. From a structural standpoint, I recommend adding some large ceiling fans up in the rafters that would provide some air circulation for events. There is lighting, the restrooms are in good condition, it is sprinkled so it really is almost

about ready to utilize. Again, I think an order of magnitude number is roughly \$5,000 going into each facility from a capital standpoint and we can break that down and let the Board review it.

Mr. Goldstein: That is a lot less than I thought.

Mr. Flint: We are getting pricing now for the stables. There is some painting and some work that needs to be done. You have stained woodwork on the ceiling and things like that need to be addressed.

Mr. Harding: What sort of events would you put at the horse stables?

Mr. Grant: Right now that is probably the hottest venue for weddings. I brought our group sales team over there and our catering sales team and our destination management company that themes our events that we host in the club and they literally said, wow, this is going to be very attractive, very popular.

Mr. Harding: I assume you could get a pretty fair rate for renting out that facility along with the commercial kitchen and the other activity where alcohol is served. What is the sharing on that sort of revenue?

Mr. Grant: As Daniel was proposing the concept would be to charge a site fee whether it is a wedding, family reunion, event from the club or a CDD resident who would like to host an event there then that fee whether it is a \$400 for four-hour increment, roughly \$100 per hour, based on market pricing, all of that would go to the CDD.

Mr. Flint: Is there no contemplated compensation under the MSA to the resort based on the fact that you now have use of that facility to handle the special events? Is that the in-kind?

Mr. d'Adesky: The issue is going to come up at some point because once again this is going to have to be reviewed. First of all we are going to need something in writing, second that will have to pass that muster but I'm okay with the concept as laid out.

Mr. Flint: Right now in the MSA there is no cost to the District. We have to work through the issues because there is still landscape maintenance, utilities, janitorial and all those types of things. We need to make provisions for residents to be able to use it at no cost for social clubs and yoga and those sorts of things. You don't want to tell the younger people they have to pay \$400 to hold a yoga class. We need a provision for the sort of resident event use separate from the concept of someone who is going to hold a wedding or family reunion. I think \$400 is low for a non-resident event but you might want to give residents a break.

Mr. Grant: That is great feedback. I think that is enough for Daniel and me to be able to put something in writing and we will submit it to George for the Board review. If we can get that done at the next meeting maybe we can designate one of the supervisors to review it.

Mr. Greenstein: I appreciate the revenue recognition aspect of the proposal. At the same time, I think the more we can align it with the current MSA for simplicity's sake, which ties into all the O&M related issues that George mentioned would probably be a benefit to all parties. We need to identify and segregate non-resident use from resident use and have resort use.

Mr. Grant: If those are important components it may be an offsetting of expenses first prior to being a revenue generation.

Mr. Harding: The other thing is to make it beneficial to the CDD, the resort and to the residents, all three parties.

Mr. Greenstein: I think we are moving in the right direction.

Mr. Harding: Do you think we can have something by next month?

Mr. Grant: I think Daniel and I can probably get something on paper for the Board to review before that. Our goal would be to get something to George and we can designate a supervisor to take a look at it prior to the next meeting.

Mr. d'Adesky: Get it to me first because it needs to be vetted before we have any Board signoff. If you get it to us before the next meeting, we might be ready by the next meeting to say it is vetted.

FIFTH ORDER OF BUSINESS

Discussion of Addition of Landscape & Sod at Highway 532

Mr. Flint: We have Mark Yahn here and he has looked at the median on 532 and we tried over time to reduce the District's investment in the maintenance of that area and focus our attention more on the entranceways and the internal community landscaping. We have talked and the County seems amenable to some sort of offset on maintenance expenses for 532, it is the entranceway to the community. We have asked Mark to work with Yellowstone to put together a proposal to try to clean up 532 and that involves shrinking some of the beds, installing some additional sod, replacing some of the existing landscape material. Mark and Yellowstone are here to present the proposal and we are looking for Board discussion at this point.

Mr. Stultz: Mark Yahn is our associate that has been looking out for the CDD grounds since the onset of our services agreement. As we worked through a number of projects this 532 has continued to come up because of maintenance related issues. We agreed to not put any mulch out there last year because of the uncertainty of where we were going. We have been unhappy with its appearance and the fact of it is without the mulch, mulch is great for aesthetics, but it is a great medium to hold the herbicides that we put out that suppresses weed growth. Without mulch we are really taking a big tool away from Yellowstone to do that. We decided we didn't want to go into this year with the same sort of handicap. We had a lot of diseased holly trees and we removed them and a lot of the beds they were in don't need to be landscaped again, they can be sodded over. We started looking at before we put out mulch, which isn't inexpensive in itself, to look at trying to close in some of these areas, some are left irregular so we thought if we went out and sodded those voids and concentrated on our roads at the intersections and entrances into the community and at least arrive at some sort of contouring bed line and if we didn't want to put plants in right now we could mulch and would at least end up with nice lawns and then some sculpted beds, some of them have decent plantings in them now some don't. We tried to remove the plants that were not making a contribution. I don't think Yellowstone's proposal has any new plantings. We are just trying to clean it up, make irrigation adjustments so we could grow grass and have vacant areas mulched and we would apply pre-emergent and post-emergent herbicides to keep it looking presentable.

Right now we are discussing hard wood tree pruning for next fall as we work through Reunion that is about one of the only areas that is left and a lot of them are hanging down very low, we are not getting good air circulation. We looked at 532 in a lot of different ways. I think this is the fourth and final rendition of our proposal before we sent it to Alan and we found it to be the most complete yet most efficient way to take that problem and get it under control where it can be maintained in a presentable fashion until you can decide further if these beds are going to be left vacant or someday be planted or sod more of them and plant less. The turf estimates to do them all were out of sight so we allowed enough turf to give some design and layout to it because the whole green and brown appearance isn't so bad and there are still some plantings that look decent and those that do not will be out. I think it would be a huge step in the right direction and it is still a big number but it is a huge area. When you look at the square footage out there it is enormous. When you come off of I-4 and start up 532 there is one big slope on the

right we thought it was Bahia grass, it is not it is Zoysia but it constantly sluffs off in the road and looks very bad. The only way we can control that erosion is to sod it and in some cases the Zoysia thinned out because the trees are so thick they don't get any filtered sunlight for the turf anymore. I think it will be okay until we get around to the trees. Our thought for 532 was simply to expand the sod, sod over beds that have no plans of being replanted in the future, eventually trim the trees, put mulch in those beds with no plantings and sit on it. I think it takes us from undesirable to pleasant but it is still temporary eventually some of those beds will either receive plants or receive more sod but the balance would make a lot more sense and you wouldn't have all this vacancy that is just dirt. Rather than leaving it alone we thought we should at least bring something to you that would be an interim step and that proposal is it.

Mr. Harding: When does the County start paying their half?

Mr. d'Adesky: I tried to warn that Osceola speed is not the fastest but they are processing it right now. I had a call with Dave a week ago and I sent him a form Interlocal agreement. I have been pushing him to get it to us and get it finalized before May because that is our budget cycle.

Mr. Harding: I feel uncomfortable stepping up to a \$43,000 bill if we don't have them stepping in. If the County is not going to step up and pay for it I don't want to pay for it.

Mr. d'Adesky: They did reassure me and I understand we don't have it in writing and we don't have the money yet but I anticipate we are going to get it in the next couple months.

Mr. Harding: To his point, any future renovations of the property, if they are going to share the normal costs, they ought to share any kind of renovations as well. When you talk to the homeowners and you talk about how much in relative terms it is not a lot of money overall included in the CDD but when you talk to the homeowners about how the County is going to split the cost they say how much was it and they say we are paying for all of that and how did we wind up with that and how can we get out of it. In the interest of all the homeowners I think we ought to be careful what we do to renovate that thing at the CDD's cost.

Mr. Goldstein: We are looking at \$32,500 for Zoysia sod. What would it cost to mulch that area?

Mr. Stultz: It would probably cost \$10,000 then annually 1" to maintain it you are looking somewhere around \$7,000.

Mr. Dryburgh: What does it cost to mow the grass?

Mr. Stultz: It is going to stay the same. Remember the mulch is a recurring cost. Those same questions come up in a lot of communities and we are challenged to keep the grounds presentable and when we look at something like that it is difficult to maintain and difficult to keep it at that level. 532 is challenging and unless we do something, we don't want to make excuses but they spend so much time dealing with a problem like that and you can't keep them focused on horticulture practice this thing is really going to make a difference.

Mr. Greenstein: There is background to this. You said you went through three or four iterations before you came up with this. I think it would benefit the Board if you would explain to us what the cost would have been if you replaced the plants. You are pulling out diseased plants and if money was not a problem you would probably propose to replace the plant material.

Mr. Stultz: We did that if you will remember, part of our original presentation when we did an upfront assessment of the CDD property we gave general assessments for each area and we have gone back and refined those more precisely as we have done Reunion Boulevard, Linear Park and so forth. I don't have those numbers in front of me but it was upwards of \$182,000 to plant those islands. Just the exercise of going at it and trying to figure out the cost and that didn't include the large trees either that was just ground planting all three sides of the road was in that general neighborhood.

Mr. Greenstein: I know it was substantial, it was a six-figure number and it was a shock to the system. We took an alternative approach to try to get the O&M for this area down to a more manageable figure. What you are basically saying now, because it does stick out and it sounds like a lot of money for sod but you are saying by having the area sodded it should reduce our O&M cost for that area moving forward. Is that a true statement? Is there any offsetting savings?

Mr. Harding: Will the \$170,000 wind up being reduced in the future because we are simplifying it and doing this kind of work now?

Mr. Stultz: Yes, because a lot of the beds that we were anticipating to replant we sodded and quite frankly there is not a whole lot to be lost there. I thought the plantings in the beginning probably from the developer were a bit excessive for a main thoroughfare like that and a lot of the beds being removed and sodded over is a good move. We are trying to keep in mind future planting so as the sod we put down today wouldn't have to be disturbed. The shape of the bed

line at the intersections would be established. The irrigation would be set in mulch so all you have to do is pull back the mulch or wait until you need to plant and the mulching is done.

Mr. Harding: So, there would be a payback is what you are saying.

Mr. Stultz: There wouldn't be any redundancy, we are putting in sod where we think it would always be we are just not suggesting plantings right now. If you decide to plant later we have established a lawn, you just replace some of the bare mulch with new plants or in some cases where partial plantings are okay you would simply add to it and leave the existing. In many cases the existing plantings are okay and in some cases they are going to be completely gone and in some beds will be fully populated. It is kind of a mixed bag. We concentrated more on replacing the lawns and establishing future planting areas that for now it will just be mulch. Later it can receive plants without going back and redoing the turf. The Zoysia will all be secured.

Mr. Dryburgh: One of the considerations we have to keep in mind is the expansion of Poinciana Expressway. They are down to two options and one option is expanding it onto 532 and at that point they are looking at things 100 feet either to the north of the street or to the south of the street they will be taking over if they decide to go the 532 route. Planting more plants until they make that decision makes no sense. The lowest maintenance you can put in until they make that decision and they say it is a seven-year legal process.

Mr. Greenstein: I don't think that is anything that is going to happen tomorrow but from a financial standpoint you went through an analysis you decided this made the most sense versus replanting. We need to know what the alternative costs are. Is the alternative cost to replant in excess of this number? Is it less than this number and what is the ongoing cost of maintaining it in the out years? If there is no savings in the out years if it cost us \$170,000 a year to maintain that area and changing this is not going to change that \$170,000 that is fine but we have to know what the alternative cost is. I would not do anything with this until we knew we had the County contributing.

Mr. Dryburgh: It would be nice to simplify the landscaping out there so it is easily maintained and if we can accomplish that so we are not spending \$170,000 a year that would be great.

Mr. Greenstein: I was hoping that you would say with less plant material we could save 10% even if it were a five-year payback on this expense.

Mr. Dryburgh: The choices are they either put in more wood chips or they put in the grass, the grass pays for itself in four years. Just the difference in dropping the initial \$10,000 in wood chips and \$7,000 every year after that versus a one-time hit of \$32,000.

Mr. Stultz: That is the low hanging fruit the rest of it is less mulch more turf but depending on if that change was made and put in place and there is time to do a RFP when these guys do their measurements they measure for the acres and man hours and get their number. That calculation is more labor intensive than mowing the grass. When you are talking about a property this size and changing out 30,000 feet of grass it probably isn't going to have a material effect. It could be the difference in the way that one contractor would mow it. It is cheaper to mow grass in beds, the big savings is the mulch.

Mr. Greenstein: I don't want to beat this to death. From a budget standpoint do we have money in the budget for this expenditure for landscaping without the County contributing? I'm assuming with the County's contribution we should have a surplus.

Mr. Flint: We have \$125,000 total between both Districts' budgets for landscape improvements.

Mr. Scheerer: Most of that has been spent.

Mr. Flint: This \$40,000 is not a budgeted landscape item but if you look at the replacement and maintenance after we spend the \$270,000 we have budgeted this year we are still going to have \$3 million in that replacement and maintenance fund. You are projecting a carry forward in the next year after you spend this \$270,000 this year, \$3 million so \$40,000 out of \$3 million so you have the money to do it, it is just a matter if you feel the timing is right and that is a priority. We could have just as easily brought forward a landscape improvement budget of \$165,000 instead of \$125,000 and it wouldn't have been an issue from a budget perspective it was just that, which was not one of the items that was on that list.

Mr. Dryburgh: If we come forward with the \$160,000 and we have half being covered by Osceola then they are covering half of this, if we do it piecemeal and say we have this maintenance of \$40,000 they are going to say not their problem it is not part of the maintenance.

Mr. Flint: If they agree and we get this agreement signed they are going to pay roughly \$80,000.

Mr. Greenstein: We have employed Mark Yahn as a consultant to the Board to make a recommendation and this is his recommendation. Financially, from what I hear we can do it, it is

a question of timing. I think we are very confident that we are going to get the contribution from the County and I recommend we do it, approve the recommendation to sod 532.

Mr. Greenstein moved to approve the proposal from Yellowstone in the amount of \$43,333 to sod 532.

Mr. Dryburgh: I would like to hold off until we have heard from the County. Are you thinking we will hear from the County by April?

Mr. d'Adesky: I told them that we need a signed agreement, we need the funds before May.

Mr. Dryburgh: Is there a timing issue we should be aware of on planting the grass?

Mr. Stultz: The ideal planting period is the fourth quarter or first quarter. It is not that you can't but in March and April you start getting hot and dry conditions and is not the best time. When you get into summer it can be very good if you get heavy rainfall but then it is almost excessive. To answer your question I don't think it is the end of the world if you don't but it would be best to complete it in the first quarter and beyond that if you approved it we would probably slide it based on current weather conditions. You are going to get the best value if it goes in and performs well. We would be more sensitive to weather conditions if we waited into the May time period.

Mr. Dryburgh seconded the motion.

Mr. Goldstein: I think that the Board and the residents many times have said that is our front door, why doesn't it look nice.

On voice vote with all in favor motion passed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Boyd: The contractors are in the middle of making submittal packages of materials being ordered.

Mr. Harding: Will there be a Reunion Boulevard sign on the structure?

Mr. Boyd: Yes.

Mr. Harding: Both sides traffic, so you will know this is Reunion Boulevard coming up.

Mr. Boyd: Yes.

Mr. Harding: Can we also talk about the entrance off of Old Lake Wilson that has a broken arm?

Mr. Scheerer: I wasn't aware of that. The POA paid for that rapid arm but I will take care of it.

C. Manager

i. Action Items List

Mr. Flint: Daniel, is there any update on the Water Management District permit and irrigation turnover issue, the consumptive use permit?

Mr. Baker: We are currently in a holding pattern.

Mr. Flint: We have addressed the signalization. The 532 costs we have addressed. The amendment to the MSA we have addressed.

Mr. Harding: I have a couple other items. Sinclair Road and 429 I think The Resort was going to come back with maybe a proposed sign that the County could look at as far as this is Reunion.

Mr. Grant: I think I committed to getting with Alan to drive around and I haven't done it yet.

Mr. Harding: We still have that on the plan, right?

Mr. Grant: Right, I need to get with Alan to get out there and look at the physical location.

Mr. Harding: Could we add that to the list?

Mr. Flint: Yes, I got your email and we will add it.

Mr. Harding: The other thing is the parking, no parking spaces at the mailbox.

Mr. Scheerer: I approved that work and am just waiting to get a schedule.

Mr. Flint: The reason it dropped off is you have already approved the work to be done. If it is not done by the next meeting, we can put it back on.

Mr. Harding: I would like to see items on there until they are complete.

Mr. Dryburgh: Some sections of the roads in Reunion, as you are driving down the road, they will pouch in then pouch out. I have no idea why, I never thought I would ever see cars parked in the areas that are pouched in so you can't get a car through the center but this morning I watched two guys almost get into fight over it because one was going one way and the other and neither would pull over and they both stopped in the center of the road. Common sense says it is probably illegal to park there but they do. There is no signage; there is no coloring red on the side of the road. Have we looked at that, have we had problems with that in the past?

Mr. Boyd: It is a speed control element in sections of the road where people might tend to start to increase speed.

Mr. Dryburgh: Do we need to think about putting some signs there that say no parking?

Mr. Flint: It is a violation of state statute if you block emergency vehicle traffic even though there is a no parking sign there.

Mr. Dryburgh: I'm talking about some guy from another country who has no clue.

Mr. Scheerer: They actually appear to be bike lane markings on Gathering Drive, they go from Seven Eagles past Excitement to Sparkling Court, there is a narrow area there and then on Excitement Drive between Titian Court and the roundabout there is another area where it narrows in and chokes down there. There are no pavement markings there, on Gathering Drive it looks like it is marked and I would consider it a bike lane but these are not parking stalls, these are not designated parking spaces.

Mr. Dryburgh: Can we get it posted because I have noticed Yellowstone struggles to get through there. If you are not supposed to park on that whole segment of that street then it should be marked, if it is just where the little pods are that should be marked but something to tell people where they can and cannot legally park.

Mr. Flint: You could put no parking signs there, we don't have the legal ability to enforce that but we could ask Community Watch Solutions to put notices on the cars as a first step and if it becomes an issue then we can look at other steps. That is no cost to us and it also is going to resolve the sign pollution. I will add that to the action items list.

ii. Approval of Check Register

Mr. Flint: The next item is the approval of the check register for the month of January totaling \$457,375.32.

On MOTION by Mr. Greenstein seconded by Mr. Dryburgh with all in favor the check register was approved.

iii. Balance Sheet and Income Statement

Mr. Flint: The balance sheet and income statement are included in the agenda package. There is no Board action required.

iv. Status of Direct Bill Assessments

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

SEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Next Meeting Date

Mr. Flint: The next meeting is March 8, 2018.

On MOTION by Mr. Harding seconded by Mr. Greenstein with all in favor the meeting adjourned at 2:02 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman