

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 on Thursday, January 12, 2017 at 2:00 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
John Dryburgh	Assistant Secretary
Don Harding	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Steve Boyd	District Engineer
Alan Scheerer	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order, and roll call was taken.

SECOND ORDER OF BUSINESS

Public Comment Period

There not being any, the next item as followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
December 8, 2016 Meeting**

Mr. Flint: These are included in your agenda packet. If there are any deletions, additions, or corrections we can address those at this time.

Mr. Harding: On page 9 the wording is weird. On page 10 it should be Ms. Carpenter instead of Mr. Carpenter and the sentence should read, "...we can build into the budget", not built. On page 16 the comments were from Mr. Dryburgh not from Mr. Harding.

Mr. Greenstein: On page 6 where it says Mr. Yahn, it should say Mr. Grant.

On MOTION by Mr. Greenstein, seconded by Mr. Harding, with all in favor, the minutes of the December 8, 2016 meeting were approved.

FOURTH ORDER OF BUSINESS

Discussion of Proposed Signage Policy

Mr. Flint: This was brought up about six months ago by Mr. Harding and I think we put it on hold so we are bringing it back based on Mr. Harding's request.

Mr. Harding: The draft proposal that is in the booklet that I handed out covers the items 1 and 2 as far as no signage shall be placed on District property except for signage installed with the written authorization of the District. This is something that I think we need to have as part of policy. Authorized personnel or an agent of the District may remove any sign placed in violation of this provision immediately, which is also part of the same proposal. What I would like to add to the draft policy from my standpoint, would be all of the signs that are on District property should conform to a standard. The attached picture, I think, is a very professional type sign that the Resort has used in a number of places, but then again there are a number of other signs that look of the lower value. I think we need to set that as a standard and have everybody comply to that as far as any signs on District property goes. It doesn't necessarily have to do with the Resort or Encore I just think we need to have some standardization so it looks nice. I've had people from the Resort think that the signage needs to be cleaned up and look professional. The second part of that is I think the sign should be for a purpose, and that purpose is to provide direction. I don't think the sign should be on CDD property for marketing purposes or advertisements, and I think that is something that we shouldn't allow. As far as the signs coming in on the post, where the advertisement is talking about, the holidays and sometimes there are golf tournaments, I think those are fine and appropriate as far as letting people know about events at the Club.

Mr. Greenstein: They should use professional prepared banners.

Mr. Goldstein: What about the employees parking sign?

Mr. Harding: I think that is necessary and I think those are just signs placed periodically.

Mr. Greenstein: The notes that I had before you handed this out to the ordinance is from another CDD and it is admin procedures needed, guidelines for approval of signage, and permanent versus temporary because we have temporary situations.

Mr. Harding: That is a good point and for employee parking or whatever else.

Mr. Goldstein: We could use those for the restaurants too. Maybe some special consideration could be made for the hotel signs for the employees or restaurants but standardize the way they look if that is what you are wanting.

Mr. Harding: Yes, absolutely. Some of the signs are just a board with a post and these kinds of signs I think are very unprofessional and do not look good.

Mr. Goldstein: Some of the signs that are in place now are not managed and they are bent or broken. The resort does use professional printed signs even if it is for a Thanksgiving Buffet. They are made by a graphic designer and are professionally printed.

Mr. Harding: That is a temporary kind of sign. If it is a permanent type of sign I think it should be for purpose of direction and it should set the right kind of standard. The simple post in the ground with a plaque on it is not necessarily consistent, so that is what I am proposing.

Mr. Greenstein: Andrew, from a structural standpoint do you think we can come up with the statutory language that allows us for separate administrative procedures or would it be okay to adopt and incorporate the administrative procedure in the policy document?

Mr. d'Adesky: I guess what you are trying to say is, for example, there may be some things that are more of an administrative procedure that do not need to be formalized into a formal policy. Is that where you are going with this?

Mr. Greenstein: Yes, and that you just have an eye level authorization language and then a few guidelines that are administrative procedures that does not require us to continually change this document to do the administrative stuff at an operating level.

Mr. d'Adesky: My concern is we don't want to go down the hole of getting really specific and issuing very specific guidelines for signage and posting. I think general standard is always good and I think like you said, it is a little bit easier if you do something with a broad authorization and then allow administrative procedures from there to go and execute that and to narrow that down and look at the maintenance of the sign.

Mr. Harding: This could be an example.

Mr. d'Adesky: Yes, it could be an example, but you don't want to say that is the standard and then issue 50 exceptions to the standard. Does that make sense? It is getting too specific and you are automatically contradicting yourself.

Mr. Flint: Most CDD's do not get into design standards and regulating community standards and appearance; it is an HOA and POA issue. Ideally the Master Association would

set the design standards and then the CDD would set the standard saying that signage should only be direction signage and shall be in conformance with the standards that are set by the Master Association. Then you have the Master Association kind of regulating the design standards because that is what they do and the only thing that we are regulating is if there is going to be a sign it needs to be directional and consistent with the Master Association's design standards. If you can't base on who is controlling the Master Association and there are hurdles, we might be able to do something different than that but in an ideal world that is how it would work. I do have Districts that don't want to acknowledge that you are subject to those design standards because there may be some instances where we don't want the Master Association coming to us as a Government Entity and telling us that we need to paint our building so we have to be careful about that part.

Mr. d'Adesky: I think numbers 1, 2, 4 and largely number 5 maybe a little tweaking of the language is where we want to be. Number 3 is a big one and you want to think about that carefully and how you want to word that. The wording that George proposed, which is all such signs shall be in conformance with the Master Association standards but if you do not control the Master Association then you kind of have to set some broader guidelines there.

Mr. Harding: Are there any guidelines that the Master Association has?

Mr. Greenstein: There are guidelines under the featured builders program. For example, the signage on property lines but I'm not aware of any that would pertain to the CDD property.

Mr. Harding: There is very specific language in the HOA talking about as property owners we are not allowed to put any kind of signs out in front of our property for sale signs or anything like that. We are heavily regulated.

Mr. Flint: I looked at them and there doesn't seem to be any design standards for commercial property.

Mr. Dryburgh: The original developer installed the bulk of the signage that is in place throughout the community and any updates to those signs have been done by the Resort. This sign here sits on Seven Eagles HOA property but it certainly is a sign that the Resort paid for to be updated.

Mr. d'Adesky: If I was editing it, I would say that all signage required shall be high quality first rate signs which shall be similar to and attach the picture.

Mr. Harding: The other part of that is any signage would have to be approved by the CDD anyway so there is some control there.

Mr. d'Adesky: Right, and then you would want to grandfather in some of the community information stuff, which we can do. Would it be all right if I fix this a little and bring it back next meeting?

Mr. Harding: Yes.

Mr. d'Adesky: Okay, I'll bring it back next meeting. If the Board is agreeable I may send a draft of what I fix to Mr. Harding so that you can look at it.

Mr. Greenstein: We are not going emphasize prohibition of signage it is basically approval of signage.

Mr. d'Adesky: Yes, approval of signage.

Mr. Grant: How are we going to handle the signs that are marketing?

Mr. Harding: We are in agreement I think that we don't have marketing signs.

Mr. Flint: You can have a directional sign to the Bears Den Development it just doesn't have to be green with a gold bear on it.

Mr. Harding: We can't control the signs on their own property.

Mr. Grant: Shouldn't there be a differentiation between permanent signage and temporary signage? In the CDD, but in the development in the Resort, whether it is a builder doing an open house, a golf tournament, or a member event there is going to be temporary signage.

Mr. d'Adesky: I will add a clause in there because that is something I wanted to fix on the flyer section. I hear the Board's direction.

FIFTH ORDER OF BUSINESS

Discussion of Intersection Signalization

Mr. Boyd: This is a proposal that was discussed at our Reunion West CDD meeting to provide construction documents and permits through Osceola County to construct the signal at the entrance road and 532. Reunion West CDD approved this and the budget cost would be shared between Reunion East and West CDD.

Mr. Flint: Once we have the design documents then we can bid it out and we will know a true number at that point but you cannot bid it without the design.

Mr. Harding: We are going to check on what those other areas are going to cost. The developer there is paying for all of that, right?

Mr. Boyd: Right, the only thing that would be public record is if they submitted the cost as part of their inspection fee determination, and if that is the case, then I should be able to get a copy of that.

Mr. Harding: If there were a number of unfortunate fatality accidents coming out of the Resort there, would Osceola County or anybody feel obligated to do something about it? Coming down I-4 there were some fatalities and all of a sudden we saw lights being installed and I don't know how that took place.

Mr. Boyd: The signals at I-4 were a tri-party agreement between Reunion East CDD, ChampionsGate, and Osceola County. Reunion East funded the cost and the County contributed impact fee credits and ChampionsGate ended up writing a check for a portion of that cost.

Mr. Harding: It seems like for something like that to happen is what it takes and that is sad.

Mr. Greenstein: It definitely was fast.

Mr. Boyd: That signal could've been in quicker but because of FDOT Right-Of-Way, FDOT was involved in the permitting process and there was a lot more involvement. This should be fairly simple because it is just Osceola County.

On MOTION by Mr. Greenstein, seconded by Mr. Harding, with all in favor, Intersection Signalization was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky: LRA and Trustee's Counsel are still engaged in ongoing negotiations and we still do not advise to take any action until they sort it out. Mike Eckert of the Trustee's Counsel is supposed to send a letter. They had conversations with each other so he was supposed to send them a letter and he hasn't done that yet. I sent him an email today just to confirm and he said that he does plan on sending that shortly and asked that we do not take any action at this meeting.

B. Engineer

There being none, the next item as followed.

C. District Manager's Report

i. Action Items List

Mr. Flint: The irrigation is in the hands of LRA and the Water Management District at this point and we do not have a lot of control over that. We keep it on here but it is not something that we are actively involved in. The horse stables, I talked with Kevin Moore and he was the original design architect for all of the buildings in Reunion. They are located in downtown Orlando at Butler Moore Architects and Guy Butler is his partner. They do a lot of work for the Resorts and Disney so I spoke with him and tentatively set a meeting for next Tuesday morning at 10:00 a.m. here. What I was going to ask the Board to consider is designating a Board member to attend that meeting with me and be the liaison from the Board on this issue if the Board is amenable to that. If 10:00 a.m. doesn't work we can change that.

Mr. Harding: I will volunteer.

Mr. Flint: Anything would have to come back to the Board first.

Mr. Greenstein: Who will be in that meeting?

Mr. Flint: It will be me, the architect, and I was going to have a Board member designated and Alan will be there as well. He knows the situation about the horse stables building and I spoke with him about the Board's desire to evaluate potential alternatives for use of the building. I would hope as much work as that firm does with Resort Communities that they would have some new experience and thoughts in that area. It is not something that they are going to do for free but I think this initial meeting would be letting them know the issue that we have and I would expect a proposal from him with the scope of work and an associated fee to come out of that meeting. That would have to come to the Board for consideration but I think it is a start. Alan is still working on getting proposals and we've had some problems getting some from contractors over the holidays.

Mr. Scheerer: I actually had one Company call me Wednesday and withdraw. They are the people that were actually contracted to install that pool and spa at Heritage Crossing and he said that he is way too busy. I did talk to Todd Thiessen at Thiessen Brothers, but he hasn't returned any of my calls since after Christmas. I did get a gentleman from Blue Scape Pools out and he is still working on that proposal. I got one other recommendation from Spies Pools, which is who we use here quite a bit for repairs and renovation work and I'm going to reach out to the Company they sent me today. I will keep searching but I was a little disappointed that Davenport Post called and said they aren't going to do it. We are not going to give up and I

apologize for not having anything today but we will continue to pursue. If anyone has any other sources please let me know.

Mr. Harding: Do we know whether or not the things we talked about as far as the onsite signage for operational hours that were supposed to be posted and also a posting of who to call?

Mr. Grant: The hours of operation are posted for the café, facility, and the fitness center. I will make sure the Management Company contact gets posted.

Mr. Greenstein: After hours problems would be a Resort number.

Mr. Scheerer: I don't know that there is any signage at the pools that reflect an after hours emergency contact. There is an emergency phone at the pool that connects to the monitoring service that we have at every pool. They call me because I am the personal contact on that and the office number also lists my number at the end of the voicemail for any emergencies.

Mr. Harding: So we do need to add a sign as far as that?

Mr. Grant: Yes, for the code specifically related to the MSA I will have a plaque put up at the entry that stipulates the Resort's phone number.

Mr. Harding: There are portions of the building right now that Encore doesn't lease and I think it is this room for example.

Mr. Flint: Right.

Mr. Harding: When Encore's lease is up at the end of this year, who is going to manage this facility because the Resort is no longer going to be involved?

Mr. Flint: We will manage it from a maintenance and landscaping standpoint.

Mr. Harding: Who will lock it up?

Mr. Flint: Security locks it up.

Mr. Harding: Any of us can go into any of the pools because we are CDD property owners and the fact that this is a CDD any of us property owners should be able to come in here anytime right?

Mr. Flint: It is different. You can regulate the hours of facilities like this.

Mr. d'Adesky: Like a public library that you are paying taxes for, but that doesn't mean that you can come in at 2:00 a.m.

Mr. Scheerer: The building is open everyday.

Mr. Harding: Would they call you with any issues with the building?

Mr. Scheerer: The residents here typically call Security or the Engineer and the information gets conveyed.

Mr. Harding: Should we have some sort of posting for that?

Mr. Greenstein: You are assuming. Probably within the next quarter we need to look at the future use of this building moving forward, and that would include reaching out to LRA and to the community discussing among ourselves the best purpose for this building. This building is a community center and I think it was a high value asset at one time and I think it could be a high value asset moving forward so I wouldn't assume anything yet. We really need to focus on it because most people like this building and see use for this building. If we reach out we could get all kinds of recommendations.

Mr. Harding: But do we need to do anything in the meantime for the part of the facility that is not being utilized by Encore?

Mr. Grant: Encore is still paying for it so they have a right to utilize it.

Mr. Harding: The yoga people use it.

Mr. Grant: It is an independent yoga instructor that is doing it with some of the members.

Mr. Goldstein: They have a lot of Resort people coming to yoga and they pay \$10 which goes to the instructor.

Mr. Grant: It is not a Resort event.

Mr. Flint: We have the ability to manage it and we have ability to do a recreational program if the Board wanted us to.

Mr. Harding: Would that cost?

Mr. Flint: Yes because that would require staff that we do not currently have onsite, so there would be a cost to that but we do it for other CDD's. We are able to do that but in the past the desire has been to have some synergy between the District and the Resort and not have two competing social interest. The only problem with that is not everyone is a member of the Resort and that is where you end up having some potential issues.

Mr. Grant: There are certain easement opportunities to discuss, the Resort managing the facility for the CDD and managing a schedule of usage, but at the same time the Resort may be hosting a wedding. I think that would be a healthy discussion at the right time.

Mr. Greenstein: That is why I said that we need to, in the next quarter, focus on how we see this facility used down the road. Based upon the way things are now or how they were in

the past, we could have a different future. I know at one time we actually mentioned to Encore that we would like to have people come in prior to 10:00 a.m. to do yoga and because they were conducting business and having a Real Estate office we thought that was courteous of us to let them know that was happening. They approved it and people walked away thinking that it was approved yoga at Heritage Crossing. It is very substantial resource and asset.

Mr. Harding: What should we do in the meantime for this area?

Mr. Grant: I propose for the next 90-days until we have that discussion, but I think the District Management can handle this little space.

Mr. Greenstein: I think we should keep this space low-key because we do not know what kind of request we will get for use of this room. I think yoga is controllable for an hour a day, twice a week.

Mr. Goldstein: I had heard it was getting crowded for yoga in here. You guys let the Resort know there is yoga going on correct?

Mr. Grant: No.

Mr. Harding: There has to be some liability issues, so maybe low-key for now but we need to come up with some answers down the road.

Mr. d'Adesky: It is a significant conversation and you have to talk about the purpose. Encore use was a limited use for a limited period of time, so you are going to look going forward, and we have to look on our side going forward is this a public purpose and something that the community benefits? It is a process that would be good to start a head of time.

ii. Approval of the Check Register

Mr. Flint: You have the check register for the month of December for the General Fund, Renewal and Replacement Maintenance Fund, and Payroll totaling in the amount of \$1,272,263.18. If there are any questions we can discuss it. There is a \$1,134,000 check that is transferring money to the Debt Service Trust account, so that is the majority of that. You will see that on page 3 to Reunion East CDD care of U.S. Bank. That assessment revenue comes in one check and we have to transfer it to the Trustee for the Debt Service so a large portion of those expenses are just moving that assessment revenue from the General Fund into the Debt Service. It comes in late November, early December, and we get it all the way through March and it even goes into April and May. We have been over 100% collected every year and that is because we have the tax bill as the collection method.

Mr. Dryburgh: The balance sheet and income statement is very confusing when you start looking at your budget because it is so far off.

Mr. Flint: It is on a cash basis, so for example, in the General Fund the majority of our assessment revenue comes in, and if you look in October, we are in a negative position on our budget because our assessment revenue doesn't come in until November or December. Then you will see it goes away but you continue to have expenses.

On MOTION by Mr. Greenstein, seconded by Mr. Dryburgh, with all in favor, the Check Register totaling in the amount of \$1,272,263.18 was approved.

iii. Balance Sheet and Income Statement

Mr. Flint: These are through November 30th, so if you look at the statement of revenue and expenditures on page 2 you will see that out of \$1,000,092 we have only collected \$134,000. That is what we were just talking about and that revenue will change significantly in December because a large majority of the revenue comes in December. If you looked in October it would be worse than this so it would be \$0 actual against a million dollar budget.

Mr. Greenstein: There is a cost to having a collection through Osceola County. I would say 95% of good escrow wages are going to pay it in the first month, which gives you the biggest discount so how do we allow for that?

Mr. Flint: We actually make money off of that because that is why we are over 100% collected. If we are going to collect \$100, we have to budget \$106 and \$2 of that is the collection cost from the County and \$4 of that is the early payment discount. We have to budget as if everyone is paying in November. If they don't pay in November, but pay in December, January, February, we are budgeting a 4% discount and we may be giving a 2% discount or zero.

Mr. Greenstein: 99% of that is probably paid in November.

Mr. Flint: We are budgeting a 4% discount and they are getting it, so we are not losing anything on that. We have to do it that way because of the Trust Indenture and everything else. Are there any questions on the financials? Your expenses are pretty in line except that we have some expenses that aren't necessarily 1/12th a month and do not line up with the proration.

iv. Status of Direct Bill Assessments

Mr. Flint: East is paid and we just got the checks in. Citicommunities has paid, LRA Orlando paid, and we got in EHOF's payments yesterday. For East we are in good shape but West has not been paid yet.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Flint: Mark Yahn has recommended that we finish this last piece, which is about \$6,000.

Mr. Scheerer: As the Board is aware, Sunscape Consulting came in with a proposal to trim all of the trees from Reunion Boulevard at the main gate to the traffic circle and then from the traffic circle to Sparkling Court. It is Mark's recommendation that the Board consider that this is not budgeted, which is why it is in front of you today. He would like to complete the hardwood trimming as soon as possible. He sent us this proposal a few days ago and it wasn't here in time for the agenda. It is his recommendation that we finish the trimming and that would complete all of the hardwoods and we also have a more aggressive schedule that we will look forward to on the 2018 budget to continue to address the trees. It is such a big difference coming in here at the Reunion Boulevard gate and it creates an open space for traffic and foot traffic so it is just for your consideration. There is money available in the budget if the Board chooses to move forward with this and the cost is \$6,100.

On MOTION by Mr. Harding, seconded by Mr. Goldstein, with all in favor, the hardwood tree trimming project in the amount of \$6,100 was approved.

Mr. Scheerer: We allocated money in this year's budget for pressure cleaning of common area sidewalks, curbs, and CDD property only. I did speak with David Burman but he is out of town this week, but when he gets back he has a gentleman at the Resort that the POA has used that is even cheaper than the current person that we received this quote from. Once David gets back I am going to make contact with his contractor and try the one through the community, and at a future Board meeting we will bring back to the Board a proposal for pressure washing that was included in the budget for 2017.

EIGHTH ORDER OF BUSINESS

Supervisor's Request

There not being any, the next item as followed.

NINTH ORDER OF BUSINESS

Next Meeting Date

February 9, 2017.

TENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Harding, seconded by Mr. Greenstein, with all in favor, the meeting was adjourned at 2:51 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman