

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, April 13, 2017 at 4:00 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
Brian Smith	GMS

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 March
16, 2017 Meeting**

Mr. Flint: Are there any additions, deletions, or corrections to those minutes?

Mr. Greenstein: I think those were some of the clearest minutes I've ever read.

Mr. Goldstein: They were easy to read.

Mr. Greenstein: And accurately transcribed.

FOURTH ORDER OF BUSINESS

**Review and Acceptance of the Fiscal
Year 2016 Audit Report**

Mr. Flint: The Board went through a competitive selection and picked McDirmit Davis, and as a governmental entity, we are required to have an independent audit performed annually. This audit is submitted to the State of Florida. If there are any issues those will be reflected in the management letter that starts on page 38. You can see, we still have an issue with mandatory principal and interest payments on the 2002A2 and 2005 bonds and the reserve fund requirement on the 2005. If the Board remembers, we went through the process of restructuring the bonds and there were some bonds that were left out. This is related to that issue. The bondholders made a decision when we refinanced to not tender these bonds. They knew they were unassigned to specific property and they hoped they could assign those bonds to property that isn't currently paying assessments. That was the basis of the discussion that was going on between Trustee's Counsel and LRA primarily. Those two attorneys have been communicating and we have stepped back and let them do that. I don't know if we have any more information.

Mr. d'Adesky: We will report to the Board if we do hear something, but we have not heard anything from them for over two months now. I assume they are either working hard on something or not working at all. Either way, we do not need to press this because we have done our due diligence.

Mr. Greenstein: This finding was included in the 2015 audit, wasn't it?

Mr. d'Adesky: Yes sir. It has been included in every audit for a while now.

Mr. Flint: At this point, the discussion is between the Trustee's Counsel and the landowner. It may come back in front of the Board at some point for action, but at this point there is no action the Board can take. This audit is provided to the Auditor General's Office and the Department of Financial Services. They do monitor when there are findings like this, so we may get a letter asking for clarification. In the past when we have received one of those letters, we have provided more detail and it stopped there. There was no further investigation on behalf of the governor. Other than that finding, it is a clean audit. Our recommendation would be for the Board to accept the audit and authorize us to transmit it to the State of Florida.

On MOTION by Mr. Greenstein, seconded by Mr. Harding, with all in favor, the Fiscal Year 2016 Audit Report was accepted and District Staff was authorized to transmit to the State of Florida.

On MOTION by Mr. Greenstein, seconded by Mr. Harding, with all in favor, the Fiscal Year 2016 Audit Report was accepted and District Staff was authorized to transmit to the State of Florida.

FIFTH ORDER OF BUSINESS

Consideration of Aquatic Plant Management with Applied Aquatic Management, Inc.

Mr. Flint: Alan, do you want to present that to the Board?

Mr. Scheerer: Included in your agenda is a proposal for Aquatic Plant Management. We are seeking to extend the contract for Applied Aquatic Management for another year. The numbers are the same.

Mr. Flint: Applied Aquatic does a very good job. They may be programmed to be out here once a month but they'll come out 3 times a week if they have to. Whenever we call, they are very responsive. That's not always the case with lake maintenance companies.

On MOTION by Mr. Greenstein, seconded by Mr. Harding, with all in favor, the Aquatic Plant Management with Applied Aquatic Management, Inc. was approved.

SIXTH ORDER OF BUSINESS

Presentation of Survey Results for Re-Purposing Options of Horse Stables

Mr. Flint: I am going to hook up the projector. We sent out a survey and received 408 responses.

Mr. Dryburgh: Would these facilities present any kind of benefit to the Resort?

Mr. Grant: There are many options, but they all take investment. Even this building we are in, needs investment because you can't hold a high-end business meeting in here.

Mr. Flint: There's not much, but there are things like torn fabric on the wall that would have to be fixed.

Mr. Greenstein: I think we need to learn from what we have done in the past and know what the current structure of the MSA is with Seven Eagles. The most efficient thing we can do for all parties would be to work diligently to see how we can get this facility back online under an MSA and include the stables. Then we can figure out what it is going to cost to bring it up to speed, how we will cover those costs, and how we will move forward under an MSA.

not be ideal. Ultimately, if we cannot partner with the resort then the alternative would be for the CDD to get some staff to do the programming and management.

Mr. Goldstein: It could be a combined investment.

Mr. Flint: Yes, it definitely could.

Mr. d'Adeskey: To a certain extent. Obviously, the MSA with Seven Eagles they are still managing it in a way that does not benefit the residents. We have to be careful when we say it is a resort amenity, because that implies it is a community amenity. We have to make sure that is not crossing a line into private use. That is why MSA have their pluses and minuses. Why don't we make a motion to go forward with looking into that more?

Mr. Dryburgh: What do we have to do to make it be beneficial to the resort?

Mr. Harding: We will need to look through our options.

Mr. Greenstein: We have plenty of time, this building is leased for 6 more months. So, we have time to find the best option.

Mr. Flint: The Board may want to delegate authority to one of the Board members just to be the point person. The problem is, Carlton is on the Board. We have Sunshine issues if we have a Board member involved in communicating with Carlton outside of the meeting. Either someone else from Salamander would have to be involved or we'll have to work around that issue. It's difficult because you can't delegate authority to a Board member to talk with Carlton outside of a meeting. We could always schedule a workshop.

Mr. Dryburgh: I think there is enough information on the survey for Carlton to go back to his management and tell them what the people are most interested in.

Mr. Flint: Maybe the CDD could make some capital investment that might make it appealing to the resort. If you fill a niche that both parties have, that would be ideal. Is Carlton going to be the designated person to deal with this issue, or is someone else going to be designated to communicate with Daniel Baker?

Mr. Greenstein: I think to avoid any appearance of a conflict, Carlton needs to remain on the side with Daniel. I will volunteer to be the point person.

Mr. Flint: So, you will need to meet with me and Daniel. Since there is no delegation of authority we do not need a motion.

SEVENTH ORDER OF BUSINESS

**Discussion of Community Sign
Standards and Enforcement of CDD
Signage Policy**

Mr. Flint: The District has adopted a sign policy. It is in our policy that there will be a standard for enforcement but we are not specific on what that policy is. So, the POA should set the Community designed standard and the CDD would voluntarily comply with that standard. We put together an inventory of signage. I was talking with David earlier today and one of the issues we talked about was that we can't have any marketing signs in the community. If you allow one entity to have marketing signs you open yourself up to other entities having to be provided the same benefit. Andrew drafted the policy, and the thought process was that the signage on CDD property would be strictly directional signs. Right now, we just have too many signs that do not follow community guideline standards.

Mr. Dryburgh: There are a lot of Encore signs.

Mr. Flint: Yes, there are a slew of them. It's really up to the Board, but if we were to enforce our existing policy we would be sending a letter indicating this sign needs to be removed. We give them a certain number of days to do that.

Mr. d'Adesky: We've been withholding enforcement, so we don't need to approve anything we need to direct George to enforce the guidelines.

Mr. Flint: We need to get on a maintenance program with the signs. Once we get all the extraneous signs out and get focused down to the core directional signage, we can probably get on a maintenance schedule to get the ones we have cleaned and fixed up. We will draft a letter and attach pictures of the signs and give them a certain amount of days to comply. Before the letter goes out we will make a phone call. We may have some folks who aren't happy.

EIGHTH ORDER OF BUSINESS

**Discussion of Installation of Bocce Ball
Courts**

Mr. Boyd: There is a diagram in your agenda for the bocce ball court. There have been many requests for this from the residents. We refurbished the fitness center, and we installed a new billiards table, ping pong tables, and foosball tables. The bocce ball courts proposed were going to be on the grass area just on the left of where the bar is now. The diagram shows the layout of the courts. It is low maintenance but good quality. The expense is going to be burdened by the club and will cost about \$18,000 per court. It is around a \$35,000 investment.

Mr. Flint: What contractor are you looking to use?

Mr. Boyd: Welch Courts.

On MOTION by Mr. Harding, seconded by Mr. Goldstein, with all in favor, the installation of Bocce Ball Courts was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky: I did not have too much to do this last month, which is a good thing. I will mention again, I have not heard anything from the Trustees concerning the settlement. I do need to report on Action Item 7, the allocation of 532 and 545 right-of-way maintenance costs. The last meeting got the ball rolling, and Osceola County has been very busy but after contacting them several times I was able to get someone on the phone and we talked through some potential ideas on how to deal with this allocation. He did agree that since these properties are coming online, we have to reassess how we look at this maintenance. He offered to facilitate the meeting between ourselves and the private landowners. He was just looking for us to give him a list of the lots and landowners that we think are receiving a benefit from this. The County is very understanding that this is going on. Their thoughts were that we should enter into cautionary agreements with the private entities as they are willing to do so. The interlocal agreement does not require us to keep any particular area in a particular condition. Meaning, we do not have to keep every part of the right-of-way in the same condition. That is all I have.

B. Engineer

Mr. Boyd: I have two things. One is the current status of the signal plans. The engineering consultant is designing the signal. Those are 60% plans, and we should have plans submitted to the County before the next meeting, that are close to 100%. I did talk with them about cost. They believe the installation cost including purchasing 2 additional arms is going to be \$100,000.

Mr. Harding: So, the cost to the CDD would be about \$100,000?

Mr. Boyd: That is the number they gave me.

Mr. Flint: That's a low number. We need to make sure the development across the street is not going to be tying into that intersection. That would totally change the design. Even if we

Mr. Harding: So, the cost to the CDD would be about \$100,000?

Mr. Boyd: That is the number they gave me.

Mr. Flint: That's a low number. We need to make sure the development across the street is not going to be tying into that intersection. That would totally change the design. Even if we were to cost share with the property across the street, it is going to cost about the same or more than this option.

Mr. Greenstein: I think so too.

Mr. Goldstein: That is what I was wondering.

Mr. Flint: We will process all that information. Did you mention when we think it will be done?

Mr. Boyd: I'm pushing to get the final plans done in the next 3 weeks. Then submit them to the County before we come back for the next meeting.

Mr. Grant: That would be great.

Mr. Flint: You also had a proposal for the engineering services related to the guard house?

Mr. Boyd: I need to go out and pick up the architectural and the survey and services. We will need a survey, that will be between \$3,000 to \$5,000. Then we need the architectural design. Once we have it surveyed, we could go ahead and prepare the site plans. The site improvements have to be approved before the architect can submit a building permit.

Mr. Dryburgh: We have residents coming back to us thinking that if we put a large sign there it will be enough, they don't want a manned gate. I am getting that from a number of people.

Mr. Greenstein: Where is the overflow of cars going to go? We have an issue at the front now. There is no place to put cars at that location.

Mr. Harding: Security wants that manned gate there now. They're spending as much money now parking a car there as we would with a manned gate. Garold is totally in favor because it is a security issue and a traffic issue.

Mr. Greenstein: I think we agree Steve Boyd can come up with a draft plan for that guardhouse site. He can share that with the County and as long as they say it can work, we will consider it.

C. District Manager's Report

ii. Approval of the Check Register

Mr. Flint: We can discuss any questions about the check register for the month of March totaling \$709,137.76.

On MOTION by Mr. Greenstein, seconded by Mr. Dryburgh, with all in favor, the Check Register for the month of March was approved.

iii. Balance Sheet and Income Statement

Mr. Flint: If there are any questions we can discuss them now, there is no action required.

iv. Status of Direct Bill Assessments

Mr. Flint: If there are any questions we can discuss them now. I wanted to introduce Brian Smith, he joined GMS on Monday. Brian is an operation manager similar to Alan. Brian was the operations manager for the Celebration's CDD for 23 years, as well as 10 other CDD's. We welcome Brian, he is going to be a great asset to our organization and will give Alan some relief. Right now, he is getting familiar with the various Districts we manage.

TENTH ORDER OF BUSINESS

Other Business

Mr. Flint: Any other business?

ELEVENTH ORDER OF BUSINESS

Supervisor's Request

There not being any, the next item as followed.

TWELTH ORDER OF BUSINESS

Next Meeting Date

May 11, 2017 at 2:30 p.m.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Greenstein, seconded by Mr. Goldstein, with all in favor, the meeting was adjourned at 5:30 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman