

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, November 14, 2019 at 1:00 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

Mark Greenstein	Chairman by phone
Don Harding	Vice Chairman
John Dryburgh	Assistant Secretary by phone
Trudy Hobbs	Assistant Secretary
Steve Goldstein	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Steve Boyd	District Engineer by phone
Alan Scheerer	Field Manager
John Cruz	CWS Security
Tricia Adams	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order, four of the Board members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Are there any members of the public that would like to provide comment to the Reunion East Board? Hearing none, we will move to the next item.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 10, 2019 Meeting

Mr. Flint: We have approval of minutes from the October 10th meeting. Did the Board have any comments on those? Hearing none, I would ask for a motion to approve.

On MOTION by Mr. Harding seconded by Mr. Goldstein with all in favor, the Minutes of the October 10, 2019 Meeting, were approved.

FOURTH ORDER OF BUSINESS

Discussion of Keyed Entry at Pools

Mr. Flint: At the last meeting the Board discussed keyed entry to the pools.

Mr. Dryburgh: The unit is battery operated so we don't have to run electricity to it. It seems like a simple decision.

Mr. Harding: So, the total cost is \$7,573?

Mr. Dryburgh: Yes.

Mr. d'Adesky: I would suggest approving a not to exceed.

Mr. Dryburgh: I propose that we move forward with this amount.

Mr. Harding: Which card will you use for entry to the pools?

Mr. Dryburgh: You will be issued a new card, one for the gate and one for the pool. It's my impression that they will be separate.

Mr. Cruz: There are two different readers up there, and you can use the cards that access the pools at the gates as well.

Mr. Flint: That's ideal.

Mr. Goldstein: Yes, no one wants to carry two cards. You'll end up taking the wrong one. One card makes more sense. Do we know what the time span is on getting this completed from the time we give them the okay?

Mr. Dryburgh: I do not know that.

Mr. Goldstein: I'd like to know the time span before we send this out to the residents. We'll get 1,000 phone calls if we don't know the time span.

On MOTION by Mr. Goldstein seconded by Mr. Harding with all in favor, Keyed Entry at Pools with a not to exceed of \$8,000, was approved.

FIFTH ORDER OF BUSINESS

Authorization to Set Rule and Rate Hearing for Room Rentals

Mr. Flint: We were hoping that today we would have information for the Board to set a Rule and Rate hearing. We're still in communication with Kingwood on the proposed rates that

would be charged, so we don't have a proposed rule as we are sitting here. We'll table this item to the December meeting.

SIXTH ORDER OF BUSINESS

Ratification of Management Services Agreement with Kingwood Orlando Reunion Resort, LLC

Mr. Flint: Now that the agreement has been executed by both parties, we are just asking the Board to ratify it. One thing you will note as part of the composite Exhibit 'A', is we hashed out the office that Alan is using in the stables and also the record office where there are plan sets.

Mr. Harding: Mark, could you talk a little bit more about how the compensation was arrived at?

Mr. Greenstein: The premise of the agreement is really cost recovery. We identified from actual data, our operating expenses for maintaining the facilities. We are trying, through the assessment of fees, to break even. If there's a surplus, then we will take another look at it.

Mr. Flint: We looked at the operating costs for the two facilities as they sit here now unused. If you look at the last page, it's about \$65,000 per year. That's for utilities, landscape maintenance, janitorial fees, fire inspections, etc. The negotiations with Kingwood was that over time as they utilize the facilities, their utilization will increase over time. Our obligation is going to decrease over time. The 1st year we are at 75% of what our base costs are. The 2nd year it goes to 50% and the 3rd year it goes to 25%. There are some issues from a legal tax perspective that we have made clear in here. I'll let Andrew make sure we include that in the record, but the initial goal was to phase out our financial obligation as the room rentals increased. Every room rental, a portion comes to the District and a portion stays with Kingwood. The argument for that is anything over \$2,500 as far as repairs, we still have that obligation to pay. Anything beyond maintenance, the District has an obligation to. As there's wear and tear on this facility, we need to be compensated for a portion of that. So, when the carpet or the AC needs to be replaced we would be in a position to fund those.

Mr. d'Adesky: They are managing an asset for us, but it is still our asset. We are still liable for maintaining the capital components of that asset. This is structured in a specific way that meets the tax requirements. We had to run it by our tax counsel as you will see by the bill

from Greenberg Traurig. They signed off on it. Don, these numbers were approved by the Board previously. This is just ratification now that it has been executed by everybody and finalized.

Mr. Harding: I asked the question for the benefit of the public and for the minutes.

Mr. d'Adesky: Yes, I understand.

On MOTION by Mr. Harding, seconded by Ms. Hobbs with all in favor, the Management Services Agreement with Kingwood Orlando Reunion Resort, LLC, were ratified.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky: I don't have an update on the unexchanged bond issue. Regarding the easement issue, we got the survey and updated description out to Kingwood. George sent that out on November 4th and we are still waiting on a reply from that. We might need to contact them to get them to execute that. Hopefully, we receive a response soon.

Mr. Flint: I talked with Richard last week and he did have the agreement and the exhibit. He indicated he would be getting it back to us, but I haven't seen it yet.

B. Engineer

Mr. Flint: Steve, any updates for the Board?

Mr. Boyd: I don't have anything specific to Reunion East. The only thing I have is the Tradition Boulevard widening. We'll track that.

Mr. Flint: Steve, do you have any indication of the County's timeframe to process the permits?

Mr. Boyd: I would have hoped to have had some feedback by now. They're backlogged and running slow. I'm expecting to have it approved for the next meeting. Then we need to start the process of getting someone to bid on it and get started.

Mr. Harding: Steve, do you have any updates with regard to the four way stop?

Mr. Flint: Alan is going to provide an update on that.

Mr. Scheerer: At the last meeting the Board approved the Fausnight Stripe and Line proposal. That information was transmitted shortly after the meeting. Fausnight ordered all the parts and we're hoping to have everything in any day now. We hope to have everything in place in Thanksgiving.

Mr. Flint: I think they are waiting on the decorative poles.

Mr. Scheerer: Yes, the signs and striping are not an issue. While we're talking about this, all the monuments on the West are complete and I think they look great.

C. District Manager's Report

i. Action Items Lists

Mr. Flint: Alan already covered the four way stop. For the parking issue, you've got a Rule Hearing set for December 19th and 7:00 p.m. I think Trudy was designated to work with us on that. Tricia Adams is here and she works with GMS; I asked Tricia if she would work with you to get that information together. Tricia is very good, she was the community director for Lake Ashton for over ten years. She's the community director for Arlington Ridge in Lake County. She's very good with communication. I think she'll be an asset in helping with that.

Mr. Scheerer: Regarding the Patriot's Landing pond, I met onsite with Jarvis Excavating. We went and looked at the pond and it still full of water. The machine that he is going to use would end up getting stuck, so we are going to look at it again next month and see if the water has receded to the point where he can get his vehicle in there without getting stuck. The only option after that would be to go in with a front-end loader and pull everything out. It would make a mess of that pond though. We will continue to monitor the water level.

Mr. Flint: We discussed the dog park playground, once we get the easement agreement signed we will be ready to move forward with that. Alan discussed the crosswalk, that will be done at the same time Fausnight has the line striping and poles. Are there any other items the Board would like to add to the Action Items list?

Mr. Goldstein: Did Steve talk about the parking spaces?

Mr. Flint: That's in permitting along with the widening of the traffic lane.

ii. Approval of Check Register

Mr. Flint: You have the check register for the month of October totaling \$138,675.85. Does the Board have any questions on the check register?

On MOTION by Mr. Goldstein seconded by Ms. Hobbs, with all in favor, the Check Register for October totaling \$138,675.85, was approved.

iii. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through September 30th. Are there any questions on those? Hearing none,

iv. Status of Direct Bill Assessments

Mr. Flint: We are up to date on our direct bills.

v. Presentation of Arbitrage Rebate Calculation Report

Mr. Flint: The first report is for the Series 2015A bonds with a negative rebate requirement of \$37,104. The Series 2015-1 bonds have a negative rebate requirement of \$95,785. The Series 2015-2 bonds have a negative rebate requirement of \$101,000. Finally, the Series 2015-3 bonds have a rebate requirement of \$1. Are there any questions on those reports? Hearing none,

On MOTION by Mr. Harding seconded by Mr. Goldstein, with all in favor, the Arbitrage Rebate Calculation Reports, were approved.

vi. Presentation of Revised Number of Registered Voters - 454

Mr. Flint: Each year we are required to announce the number of registered voters within the District. On the May agenda we presented a number of registered voters, but for some reason the Supervisor of Elections issued a revised letter. The letter indicated 454 registered voters. The number isn't necessarily relevant because you've already triggered the 250 that transitions the Board from landowner to general election.

Mr. d'Adesky: We are required to disclose that information.

EIGHTH ORDER OF BUSINESS**Other Business**

Mr. Flint: Is there any other items the Board wanted to discuss that was not on the agenda?

NINTH ORDER OF BUSINESS**Supervisor's Request**

Mr. Flint: Are there any Supervisor's requests?

Mr. Harding: With the resort and the POA pulling out of our Yellowstone contract, I would like to have a look at what impacts long-term that might mean to our CDD contracts.

Mr. d'Adesky: From a contractual standpoint, we have a contract with them so they have to perform. From a holistic view, that might impact Yellowstone's business at large, but we can't concern ourselves with what a private impact is to a public entity. We can't spend public funds studying the impact to a private business. If it's impact our contract or if they stop performing under contract, then that is our business to step in.

Mr. Flint: From a practical perspective, we have a lease with the facility they are housed in. It was intended to be shared, but as Andrew mentioned at the last meeting each one of the entities has a separate agreement. From our perspective, it would continue to obligate the Master Association and the Resort to pay a prorated share of that lease payment even if they are not using it. The Chairman and I did meet with a Kingwood representative last week where they brought up the issue of landscape maintenance. We relayed the discussion the Board had at the prior meeting. I think their desire would be that the CDD would follow suit with what they are doing elsewhere, but that's your decision. You would have to go through a formal sealed bid process, you couldn't just turn around and hire them. They did indicate that they are planning on rolling out some information to the community regarding security, landscaping, etc. Once they do that, they will probably be in a better position to explain what their approach is for the Master and the Resort. They're probably going to want to come to the next meeting and make some sort of presentation.

TENTH ORDER OF BUSINESS**Next Meeting Date**

Mr. Flint: We have a meeting schedule for December 12th, does the Board want to cancel that and only hold the special meeting on the 19th?

Mr. Goldstein: Let's leave it open for now.

Mr. d'Adesky: Yes, keep the regular meeting for usual business.

ELEVENTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. Harding seconded by Ms. Hobbs, with all in favor the meeting adjourned.



Secretary/Assistant Secretary



Chairman/~~Vice Chairman~~