

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, March 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
Don Harding	Vice Chairman
Steven Goldstein	Assistant Secretary
John Dryburgh	Assistant Secretary
Trudy Hobbs	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Alan Scheerer	Operations Manager
John Cruz	CWS Security
Rob Stultz	Yellowstone Landscape

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. Lischynsky: Today there was a meeting about Poinciana at 5:30 and it looks like they are down to one option and that is to come up the Poinciana Parkway around the railroad track. It looks like they intend to cut across behind Reunion in the future. Is that the land swap that was talked about a year ago between Reunion and the County for exchange? Is that still on or has that been dropped?

Mr. Flint: I don't know anything about it.

Mr. d'Adesky: We didn't do a land swap with the County. Maybe you are talking about an interlocal agreement with the County but that was about landscape maintenance.

Mr. Harding: If you are talking about the ultimate connection to 429, the Department of Transportation is involved with that and we haven't heard anything as to alternatives.

Mr. Flint: The initial study looked at up to 532 and then from 532 to I-4, they eliminated this segment in their study. We don't know what the options are going to be getting from 532 to I-4 or to 429. The CDD has not been involved in any discussions of land swap or anything dealing with extension of Poinciana Parkway or anything else that I'm aware of.

Ms. Lavigne: We were wondering about people cutting through in front of us before we get to the gate. Is it possible to have cars get closer to the gate so people can't cut in front of you?

Mr. Greenstein: You will end up with people stuck in front of you and you will have no way to get out. You need a little room between the reader and the gate. You will find people who hover, waiting to piggyback on someone and you can go through very slowly and give the bar a chance to come down and they won't be able to tailgate you.

Mr. Flint: You can call the description and tag number into security and have them try to find them.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the February 21, 2019 Meeting

Mr. Greenstein: On page 4, it says the area along Sinclair Road, the median, is County property. The word "if" needs to be placed in there, if we worked out an agreement. It makes it sound like we have an agreement with the County.

On MOTION by Mr. Greenstein seconded by Mr. Dryburgh with all in favor the minutes of the February 21, 2019 meeting were approved, as amended.

FOURTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2018 Audit Report

Mr. Flint: The CDD as a governmental entity is required to have an annual independent audit performed. You selected McDirmit Davis to perform the independent audit. A draft of the audit report is included in your agenda. I will note on page 31, that is the management comment letter and as we noted each year, we still have an issue because the default when we went through and trifurcated the bonds to segregate the performing bonds from the non-performing bonds, the bondholder chose to set aside debt that was not assigned to any specific property. That is the issue we are going to be talking about on the financing matters, item 5. They set aside a certain amount of bonds with no pledged revenue for repayment of those bonds and those

are sitting out there with no source of repayment and as a result it triggers these ongoing comments in the audit report. Those will continue until either those bonds are assigned to a property or the bondholder writes that debt off. As a result of that being out there, there are a couple issues noted, one is, the District's failure to make bond service payments when due. The reason the note is in there is because the bondholders chose to set them aside with no corresponding land pledged. We have done everything we can do as far as that issue goes. It also triggers a reserve account requirement note. The District is required to have one-year's maximum debt service set aside. During the downturn in the economy when Ginn was involved and the bonds were defaulted on, the bondholder chose to tap those debt service reserve accounts so the balances in those accounts don't meet the 100% debt service reserve requirement so that is another comment in here. Again, the District doesn't have any proactive responsibility to go out and replenish those accounts. We are not going to assess the remaining residents within the community to bring that account up to 100%. There is a flow of funds that if in certain accounts money is remaining after debt is paid it will eventually flow into those reserve accounts but other than that we don't have a proactive responsibility. Eventually when the bondholders deal with this unassigned debt these comments will go away. We had similar comments in Reunion West and with the refinancing of their bonds, Reunion West has been cleaned up. There aren't any remaining comments there.

As far as all the other issues, they haven't found anything dealing with mismanagement of funds, internal control issues or any of those things, it is clean in that respect. You are just limited to the issue with the debt service reserve account.

On MOTION by Mr. Greenstein seconded by Mr. Harding with all in favor the Fiscal Year 2018 Audit was accepted and staff authorized to transmit the final document to the State of Florida.

FIFTH ORDER OF BUSINESS

Financing Matters

- A. Consideration of Third Supplemental Assessment Methodology Report for the Unexchanged Bonds**
- B. Consideration of Resolution 2019-02 Declaring Special Assessments**
- C. Consideration of Resolution 2019-03 Setting a Public Hearing for Special Assessments**

Mr. d'Adesky: Pursuant to a discussion with both Counsel for the Trustee as well as newly engaged Counsel for Kingwood, we decided to put this item off. Kingwood's new Counsel needs some time to review it. I think both sides have acknowledged there is a potential for further change in the development plan, which might modify how we do our methodology. We are bumping these items to a future meeting date. We need to get this cleaned up and have made it clear that we want this resolved in this fiscal year. All three items will be tabled to a future meeting.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager

i. Action Items List

Mr. Flint: The first item is on hold pending discussions between Kingwood, the Water Management District and Toho. We are keeping the 532 costs on there but indicating they are on hold. Mr. Greenstein and I have a meeting with representatives of the Resort after the meeting today to talk about the MSA. We may know more prior to the next Board meeting. With the change in ownership there is a loss of traction on that issue so we will meet with their representatives to try to get that moving again. The next two items have been completed. Where are we with replacing faded signs and painting the poles?

Mr. Scheerer: The painting of the poles is ongoing, and they are doing a great job. We are down to a couple of yield signs and dead end signs and those will be replaced as they continue to go through the poles.

Mr. Flint: Item six is a recommendation on the need for any additional speed limit signs.

Mr. Dryburgh: After consulting with the patrol officers one big problem spot is the front side of Grand Traverse way before the bridge.

Mr. Scheerer: John reports every week on the average speeds in the community and maybe he can give us some recommendations.

On MOTION by Mr. Greenstein seconded by Mr. Harding with all in favor staff was authorized to purchase three additional radar speed limit signs.

Mr. Flint: Do you want to give an update on the Sinclair Road gate?

Mr. Scheerer: I was working on that with Steve Boyd, we looked at that area, there is some crosshatch striping before the first island and Steve is going to have to give us some recommendations on if we need to remove some of that to create the second lane and whether we have enough space available on the exit side to not impede two lanes directly in on the entry side. Fausnight Stipe and Line looked at it, but they haven't gotten back to me yet. Steve is going to be the one to make that recommendation on changing the traffic pattern.

Mr. Flint: His initial reaction was there was not enough space, but he was going to look at it.

ii. Approval of Check Register

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

iii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iv. Status of Direct Bill Assessments

A copy of the status of direct bill assessments 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

Mr. Greenstein: The park was not designated a park because there were some safety issues, and I would like to see what we can do to enhance it. The CDD property at the entry to Watson Court needs our attention. Originally established as an entry to a trail, it requires basic landscape maintenance. Additionally, recommend the Board consider options for enhancement of property for a small park, benches, etc.

Ms. Hobbs: I will take the lead on the project to come up with ideas and probable costs.

Mr. Flint: We can do playgrounds if there is a location that we control. We could potentially convey the trailhead to the Master Association and they can do it. We can do it, or they can do it. We can enter into an agreement or easement and have them do it. However, you want to handle it. We have funds available.

Mr. Scheerer: In the interim I will work with Yellowstone to get the area cleaned up.

NINTH ORDER OF BUSINESS

Next Meeting Date

The next meeting date is April 11, 2019 at 1:00 p.m.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Harding seconded by Mr. Dryburgh with all in favor the meeting adjourned at 1:57 p.m.
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Secretary/Assistant Secretary



Chairman/~~Vice Chairman~~