

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 14, 2021 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
Trudy Hobbs	Assistant Secretary
Steven Goldstein	Assistant Secretary
John Dryburgh	Assistant Secretary

Also present were:

George Flint	District Manager
Tricia Adams	District Manager
Jan Carpenter	District Counsel
Kristen Trucco	District Counsel
Steve Boyd	District Engineer
Alan Scheerer	Field Manager
Victor Vargas	Reunion Security
Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 1:00 p.m. and called the roll. All Supervisors were present.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This is an opportunity for any members of the public to provide comment on anything on the agenda or non-agenda items that they would like to bring to the Board's attention. If you have a comment, we ask you to state your name and address and try to keep your comments to three minutes. We have a call-in number for members of the public. Are any members physically here that want to provide comment? Hearing none, is there anyone on the phone who would like to provide public comments? Hearing none,

THIRD ORDER OF BUSINESS

Approval of the Minutes of the December 10, 2020 Meeting

Mr. Flint: Did the Board have any comments or corrections?

Mr. Dryburgh: Nothing other than the confusion of names.

Mr. Greenstein: The content was fine.

On MOTION by Mr. Greenstein seconded by Mr. Harding with all in favor the minutes of the December 10, 2020 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

Public Hearing

Mr. Flint: We need a motion to open the public hearing.

On MOTION by Mr. Greenstein seconded by Mr. Dryburgh with all in favor the public hearing was opened.

Mr. Flint: This is a public hearing to consider the levying of assessments for what we are calling the 2020, Reunion Village Phase 3 and Spectrum Projects. For these projects, you previously reviewed and approved an Engineer’s Report and Master Assessment Methodology and adopted two resolutions, one expressing your intent to levy assessments and the other one setting the public hearing for today. We are required to send a mailed notice at least 30 days before today to all landowners within the assessment area and two notices in the newspaper, one 21 days in advance and one 14 days in advance. All of those noticing requirements have been met.

A. Consideration of First Supplemental Engineer’s Report

Mr. Flint: The Engineer’s Report in your agenda has not changed since the last time you reviewed it.

B. Consideration of Master Assessment Methodology for the 2020 Project

Mr. Flint: The Master Assessment Methodology is the same as the version you received when you set the public hearing.

C. Public Comment and Testimony

Mr. Flint: Are there any members of the public that want to provide comment or testimony on the proposed imposition of assessments for what we are calling the Series 2021 Assessment

Area? The only landowners that would be subject to these assessments are those that reside within Reunion Village and Spectrum. So, it doesn't impact any other landowners within the Reunion East CDD. If there are no public comments, we will close the public comment period and bring it back to the Board.

D. Consideration of Resolution 2021-07 Levying Assessments

Mr. Flint: You have the amended First Supplemental Cost Report as of November 3, 2020. This was prepared by your District Engineer and describes what we called the Series 2020 Project; however, now that we are in a new calendar year, I believe that will be changed to the Series 2021 Project.

Ms. Carpenter: Yes. There is a footnote on the resolution saying that anything discussed for 2020 will be updated to 2021.

Mr. Flint: As you can see, the Series 2021 Project Area involves a portion of Reunion Village Phase 3 where there are 250 single-family lots. Then you have Spectrum at Reunion which are Phases 5B and 7A. Table 2 describes the eligible improvements that could be funded by the bonds. Steven, do you want to discuss the report?

Mr. Boyd: We didn't make any changes from what the Board reviewed and approved.

Mr. Flint: Are there any questions on the Engineer's Report? Hearing none, you also have the Master Assessment Methodology for the Series 2021 Assessment Area dated December 10, 2020. This takes the improvements that Steve described in his report and the Development Plan. Table 1 shows the Development Program. It is contemplated that there would be 250 single-family units in Reunion Village Phases 3, 4 and 5 and 296 multi-family units in Spectrum Phases 1 and 2. We applied the same Equivalent Resident Unit (ERU) factors throughout the rest of Reunion, resulting in 944 ERUs or assessment units. Table 2 repeats the capital improvements that Steve has in his report, \$23,700,000 of improvements. Table 3 is a bond sizing with very conservative assumptions, 6% interest rate, 30-year amortization period, 24 months of Capitalized Interest (CI), one year of maximum annual debt and 2% underwriter's discount. The Master Assessment Methodology assumes if we funded everything that was eligible under these very conservative parameters, we would need to issue \$31 million in bonds. This is for purposes of the Master Assessment Lien. When the Underwriter actually goes to price the bonds, the assessments will be pegged at a target assessment level closer to what other properties in Reunion are currently paying. This gives the District the ability and the flexibility. Table 6 reflects the annual net and gross per unit assessments, if we were to fund 100% of the improvements. These won't be the

target assessments that ultimately those units will have to pay, but again it is for purposes of the master lien and flexibility for the District. I skipped a page. Table 4 is the improvement cost per unit. Table 5 is the par debt per unit. These both are looking at the benefit per unit that the properties receive. As long as we ultimately issue as a par debt per unit, less than what the master assessment is, we can issue without having to redo the assessments. Table 6 shows you what the per unit amounts are if we were to fund everything. Table 7 is the Preliminary Assessment Roll. Back in December, you can see what some of the lots were platted. Are there any questions on the Methodology? The next step in the process would be for the Board to approve a Delegation Resolution, which would set parameters. If those parameters are met, then it would delegate authority to the Chair to execute the documents necessary to close on the bonds. Then we would update a Supplemental Methodology that ties to the actual terms of the bonds as they were priced. That would be brought back to you after its priced under the Delegation Resolution. So, there will be another step before bonds are actually issued and that would be the Delegation Resolution.

Mr. Dryburgh: Do you need us to approve the resolution?

Mr. Flint: Yes. The action would be to adopt Resolution 2021-07.

Ms. Carpenter: The only change is we will update the Assessment Methodology Report for Fiscal Year 2021 to reflect the date of November 12th.

On MOTION by Mr. Dryburgh seconded by Mr. Goldstein with all in favor Resolution 2021-07 Authorizing and Confirming the Project; Equalizing, Approving and Levying Special Assessments on Property Specially Benefitted by Such Project to Pay the Costs Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Method Provided for by Chapters 170, 190 and 197, Florida Statutes; Confirming the District’s Intention to Issue Special Assessment Revenue Bonds; Making Provisions for Transfers of Real Property to Governmental Bodies; Providing for Recording of an Assessment Notice; and Providing for Severability, Conflicts and an Effective Date was adopted.

Mr. Flint: We need a motion to close the public hearing.

On MOTION by Ms. Hobbs seconded by Mr. Greenstein with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2021-08
Ratifying Actions Related to E-Verify
Requirements**

Ms. Carpenter: Before you is Resolution 2021-08. The reason for the resolution is the Florida Legislature adopted a new law that went into effect on January 1st, requiring all governments in Florida to adopt and enroll in the E-Verify System. That is a system set up by the Department of Homeland Security, a Federal System that checks the immigration status of employees and a variety of other things. The District has to enroll. So, the intent of the resolution is to approve and ratify GMS submitting and enrolling the Chairman and allowing the Manager and the Chair to be able to sign any documents necessary to ensure the District is in compliance. The District doesn't have any employees at this point, so from a District standpoint, it's not tough to comply. We have to enroll in the system and make sure we have evidence of the enrollment. There is the execution of a Memorandum of Understanding that physically explains the requirements of the District. The District agrees that they will comply with the requirements. The tougher part of the new statute is that all contractors and their subcontractors of the District from January 1st going forward, have to enroll in the E-Verify System and provide compliance. So, whenever we go out for bids or proposals, we need to inform potential contractors that they must show us their evidence of enrollment and their subcontractors need to confirm that they will enroll. The District does have an obligation, if they learn the contractor or subcontractor has not enrolled or hired somebody that does not enroll, to terminate them. It is a pretty harsh requirement and I'm sure it will take some getting used to the first year of making sure that contractors comply. I think most of the larger ones have already applied for Federal and other projects, but I think it will be tougher on smaller contractors. We are hoping at least for the short term, we are not going to be losing folks to bid because of this requirement for some of the smaller businesses. So that's what happened in our State. Last month, it went into effect. So, we recommend the adoption of the resolution.

On MOTION by Mr. Harding seconded by Mr. Dryburgh with all in favor Resolution 2021-08 Ratifying the District's Enrollment in the E-Verify System; Approving and Ratifying Execution of the Memorandum of Understanding; Ratifying Prior Actions of the Chairman, Vice Chairman and District Staff Related to Enrollment and Compliance with the E-Verify System; Delegating Authority to the Chairman, Vice Chairman and District Manager to Take All Actions Necessary or Prudent to Maintain Compliance with the E-Verify System; Providing for the Severability and Providing for an Effective Date was adopted.

SIXTH ORDER OF BUSINESS**Discussion of Feasibility to Sell District Roads to Private Entity**

Ms. Carpenter: In Reunion West we had a long and spirited conversation about this. As you all know, the last two meetings I have been talking with Tax Counsel with Greenberg, Traurig who is Bond Counselor for the District. Their tax specialist Ms. Vanessa Lowry is from Philadelphia where many of their finance tax people are. She put together a memo, which lays out in nice simple English how a process would work if the District has someone come and say that they want to buy the roads, pay off your bond debt and take over the ownership and maintenance. The process as I explained, is probably in more detail and a little more convoluted than Vanessa was able to explain, is simply if there were a million dollars in bonds and it cost half a million to build the roads, then that 50% is the portion that would be used for the amount of the road costs for the bonds that are outstanding. The bonds have been paid down so there is no longer \$1 million out there. There is less. So, there's that amount and a 5% amount that all bond issues are allowed to have for a private use or a use that doesn't necessarily comply with the statute. So, we have that little waiver. There is some room there to work with; however, in Reunion East, particularly and Reunion West somewhat, many of those costs were used during the bond defaults for the management contracts and other things. So, there is 5% out there for the District to use. The process going forward sounds simple, but there's a lot of work that needs to be done to be able to make it happen and a lot of impacts. Vanessa did a good job in her Memo by laying out the steps that would have to be taken in order to go forward if someone wanted to buy the roads. One, we would need to get exact costs. Right now, we have about a \$47 million cost for the roads in Reunion East and West. That was based on the Engineer's Report. The next step going forward would be a cost proposal from the District Engineer and GMS, figuring out how to go through every requisition of bond proceeds for all of the bond issues since 2004. I think there was a Bond Anticipation note. We need to go through those, pull all of the requisitions and confirm the actual costs spent on roads and related improvements. Once those costs are known, you would be able to figure out the actual cost for the roads and those related improvements compared to the bond issues.

Mr. Dryburgh: I think you have done a good job taking us to where we are at. Our biggest stumbling block going forward, appears to be if we want to proceed, someone must make a decision if we want to spend more funds. My question is if we decided to go ahead and have the District Engineer look back at the bills, do we have any idea how much we are talking about spending to do that next step?

Ms. Carpenter: No.

Mr. Dryburgh: I know it's a hypothetical, but in my mind, I don't know if we are talking about \$100,000 or \$200,000.

Ms. Carpenter: I think the step before this is we know there is a way to do this. There are a lot of issues coming up with the actual cost. The other side of this is if someone says, "*Okay, it is \$23 million,*" we have to actually redeem bonds. We can't take a check for \$23 million. We have to figure out who is paying what assessment and how to allocate that. There is a whole set of assessment methodology calculations to figure out. I think the next step is making sure there is a purchaser and the potential costs involved. I think the Master Association is probably the likely authority. At the last meeting, we said to them, "Here is our quick overview. There are a lot of tweaks to this and a lot of issues. If you are interested in proceeding, let us know and then we can go forward and have the Districts talk with the Master Association," so the community can figure out the cost. Steve discussed the pros and cons very well at the last meeting.

Mr. Harding: Has this been done before?

Mr. Flint: There was a District in St. Johns County where the bonds are fully paid off and they are doing something with the roads. I think there may have been another District where there was a default and some other issues. There is not a lot of precedent for this. In my company we manage 170 CDDs. There may be one or two out of 170 and there are special circumstances to it. So, it's not very common. This is complicated because you have multiple bond issues. In each bond issue, all of the assessments may be the same, maybe \$2,000 per house per year. Each bond issue has varying percentages of how much are road costs. So, it's going to get very complicated when we get to that point.

Mr. Harding: Once all of the bonds are paid off, it might make a difference 15 years from now.

Mr. Flint: It would take that element out of the equation.

Ms. Carpenter: That is a good question because there is one bond issue in one house and you can pay it off. You have a good tax calculation so if the IRS looked at it, you are fine. In this case, it's going to be a long expensive process. Generally, in my view of a normal transaction, the purchaser would be paying those costs.

Mr. Harding: Is there a way of knowing if we were to pursue this, what the advantages are? Obviously, there is a going to be a cost to the homeowners. There is going to be an assessment. Do we have any idea what those assessments might be based on what those numbers

are right now? If there is a large assessment then we need to also talk to the Master Association if they are going to take over control of ownership.

Ms. Carpenter: The discussion at the last meeting was good on that point. I think the hope is that a homeowner will pay a certain amount less in CDD payments and will pick it up in HOA payments. The maintenance that you pay on your annual assessment for the CDDs would instead be part of your HOA fees.

Mr. Harding: It might be just a true-up then.

Mr. Flint: It could be, but a lot of the answers to that question are going to be dependent on who the purchaser is, what the interest rate is and how long they are going to amortize the debt. Those are items we don't really know. The goal could be revenue neutral.

Ms. Carpenter: Would there be extra costs because of the people that pay down assessments. From a District side, there are no costs, but those people would feel they need to be reimbursed something if everyone else is getting a benefit in paying it. So, there will be a lot of calculations on the Master side to see how this could work.

Mr. Greenstein: As I said at the Reunion West meeting, this is probably the most significant item that we have since the CDD was established, but the key thing is we reached a point where we have some direction. They alleviated that from a financial standpoint, so it seems to be feasible. Now we need to officially go back to the Master Association to document the fact that they are aware of the guidance we received from counsel and see what their inclinations are at this point. Once we have that, if they are still interested, then we will work together. Joint Reunion East/West CDD representatives will work with the Master Association and come up with an overall concept that hopefully answers the who, what, when, where, why and how questions. We will have a joint meeting because it's a big deal. We think we know what the issues are. We probably haven't scratched the surface once we dig into it, but we are holding off on any more administrative work to deal with this other than authorizing counsel to notify the Master Association and transmit relevant information to advise them of what we think our position is right now.

Mr. Harding: Did the Master Board make a decision without input from the owners?

Mr. Greenstein: No. I can't speak on behalf of the Master Association, but anything that would increase assessments has to pass a certain threshold. I'm not going to quote the number. It is a very high number. You basically have to have a super majority buy in of property owners in order to get additional assessments paid on the HOA side.

Mr. Harding: Okay.

Mr. Greenstein: Again, they wanted us to pursue this unofficially. We brought this to this point unofficially and now we have to make it official. Based on their guidance, we will take appropriate action.

Mr. Harding: So, the next step would be to approach them.

Ms. Carpenter: We will send the report to them, try to explain a couple of the big items and ask if they are interested in pursuing it.

Mr. Harding: Okay.

Mr. Greenstein: It is like we are selling a part of our business and we want to see if the acquirer is still interested in purchasing it.

Mr. Harding: Before we spend a lot of money calculating the assessment, we need to see if there is interest.

Ms. Carpenter: Exactly.

Mr. Greenstein: We did enough behind the scenes up to this point.

Ms. Carpenter: One of the big things for them to consider is the collection of it. One of the reasons Reunion and many Districts are having the roads designated as CDD roads is because you are guaranteeing collection on the tax roll.

Mr. Harding: Okay. So maybe between now and the next meeting, we will know where the Master Association stands.

Ms. Carpenter: Perhaps. We happen to know when the next meeting is. I will get with Mr. David Burman to ask the questions and give them the information and report back.

Mr. Greenstein: It shouldn't take us two months to do that.

Mr. Harding: Sounds good.

Mr. Greenstein: Thank you, Jan.

SEVENTH ORDER OF BUSINESS

Consideration of Agreements/Proposals

A. Data Sharing and Usage Agreement with Osceola County

Mr. Flint: The first agreement is with the Property Appraiser. You have seen this agreement before. The District is agreeing not to disclose any confidential information that would otherwise be privileged under the statutes. You have approved this in the past. It is something that has to be entered into annually. Are there any questions on the agreement? Hearing none, we motion to approve it.

On MOTION by Mr. Harding seconded by Mr. Greenstein with all in favor the Data Sharing and Usage Agreement with the Osceola County Property Appraiser was approved.

B. Preventative Maintenance Proposal from Fitness Services of Florida for Fitness Equipment

Mr. Flint: We have a new agreement from Fitness Services of Florida. Tricia, do you want to present this?

Ms. Adams: I can, but the information is very straightforward. It is in the agenda package. It includes quarterly visits from Fitness Services of Florida to perform all of the maintenance specifications outlined in the agreement. The cost is \$250 per visit for the preventative maintenance services.

Mr. Harding: That is \$1,500 for the year. Right?

Mr. Flint: Yes. There are more than four quarters here. It goes into next fiscal year. Basically, you are approving \$250 per visit.

Mr. Harding: Okay.

Mr. Dryburgh: My understanding is that they are warranting their work for 90 days and they are coming every 90 days.

Ms. Adams: Yes. It looks like there are six visits per year. When they are here, they inspect all of the equipment, perform routine maintenance such as lubrication, adjusting treadmill belts, etc. They will make a note of any repairs that are necessary. Then we will make a determination based on the severity of the repair that's needed or if the equipment is not usable, whether they come out for an extra trip to do that repair sooner or if it is held for the next preventative maintenance visit.

Mr. Dryburgh: Whatever they have done, they are warranting that work.

Mr. Flint: There is a 90-day warranty provision in here, but there is not anything to warranty. If there was, they would cover it. The warranty would actually apply to the stuff they found during their visit that we in turn repaired. There will need to be a E-Verify provision placed in this agreement or an addendum. So, any approval of the agreement would be subject to that.

Mr. Greenstein: If you have been to the Fitness Center lately, they are in the process right now of performing the work we previously agreed to as far as making repairs and refurbishing machines. They have a lot of work ahead of them. They know what they are doing and I'm confident that this will work out well.

Mr. Flint: Yes. We will give an update on the Fitness Center under staff reports.

On MOTION by Mr. Dryburgh seconded by Mr. Goldstein with all in favor the Preventative Maintenance Proposal from Fitness Services of Florida for Fitness Equipment was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Bill of Sale for Seven Eagles Pool Furnishings and Fitness Center Equipment

Mr. Flint: This is a cleanup item. We wanted to make sure, as part of the transition from the Resort to the CDD, that the Resort contributed the fitness equipment that we are now in the process of repairing and replacing, as well as the patio furniture and some items like the foosball table and ping pong table. This is a Bill of Sale from the Resort to the CDD documenting that they are conveying those items at no cost to the District. There are some items in the attached report that Alan prepared that may need to be surplussed if they can't be repaired. We are looking at the feasibility of re-sliding some of the chaise lounges, for example. So, we would ask that the Bill of Sale also approve the surplus of any items necessary to be surplussed.

Mr. Greenstein: Okay.

Mr. Flint: Are there any questions on the Bill of Sale? Hearing none, we need a motion to approve it.

On MOTION by Mr. Greenstein seconded by Mr. Dryburgh with all in favor the Bill of Sale for Seven Eagles pool furnishings and Fitness Center equipment was approved.

NINTH ORDER OF BUSINESS

Ratification and Perpetual Easement with Osceola County

Mr. Flint: This is just ratifying the Perpetual Easement with Osceola County.

Ms. Carpenter: An easement in front by the traffic light is needed by the developer. It had to be ratified because it needed to be signed within a day or two. The County was very cooperative when they realized that we were a CDD and not a party to the development part of this. We were cooperating so they allowed us to make the changes we needed to make.

Mr. Harding: Is this for the development across the street from the main entrance?

Ms. Carpenter: Yes.

Mr. Flint: It is for the signalization.

Mr. Greenstein: For the four-way signal.

Mr. Flint: Yes, there is a postage sized piece.

Ms. Carpenter: We got it done and it is in pretty good shape.

Mr. Flint: The county since approved it. We just don't have the signed version.

Ms. Carpenter: This is just a ratification of finalizing and executing that easement. So, we would ask for a motion to ratify and approve the easement with Osceola County.

On MOTION by Mr. Harding seconded by Mr. Greenstein with all in favor the Perpetual Easement with Osceola County was ratified.

TENTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2020 Audit Report

Mr. Flint: As far as the issues, the Report to Management or Management Letter, which starts on Page 29, still has the same issues that are triggering a comment in this report. So those haven't changed. It notes we met one of more of the conditions of Section 218 of the Florida Statutes. That's because of the bonds that are hanging out there. There is no pledged land or assessments to repay those. We talked about this in the past and every year the audit comes up. I described the circumstances behind that, but it really doesn't create a financial emergency for the District, although technically its triggering it because the District has no obligation to go out and assess anybody to pay for bonds that are outstanding.

Ms. Carpenter: Trustee's Counsel actually called right before the end of the year and said, "We probably should review our demand for that landowner to pay as they had in the past." I indicated that we were talking with them about a number of issues with Kingwood being new. The Trustee had said, "Let's give them some time." So, I think they will be renewing their request to get that resolved this year.

Mr. Flint: We provided you with a report in the past. The request to get it resolved deals with some properties; for example, the water park and some other parcels within the District that the Trustee is asserting should be assessed that are not currently assessed. We ask that the Resort attorney get together with Trustee's Counsel to leave the CDD out of it and try to negotiate for some resolution to that issue. I think they weren't successful in doing that.

Ms. Carpenter: I think we were somewhat close and then it got sold to Kingwood. Then we brought up the issue to them just generally, as they weren't aware of it. They talked about changes in the Development Plan and with some of that, the Trustee agreed to give them some time, but now they want to renew this so we will probably be starting over again on the discussions.

Mr. Flint: So, there is a management response under Item 1 that still has to be filled in, but the response is going to be similar to prior years. We would work with Jan to make sure that

our response is consistent with District Counsel's input and position on the issue. Are there any questions on the draft audit? Hearing none, we need a motion to accept the audit subject to working with District Counsel to insert a response in the Management Letter. Then there is a litigation and claims note, Note 7 on Page 22, that has to be finalized. So, if there a motion to accept it subject to completion of those two sections, we would transmit it to the State of Florida.

On MOTION by Mr. Greenstein seconded by Mr. Goldstein with all in favor the acceptance of the draft Fiscal Year 2020 Audit Report, subject to working with District Counsel to provide a response to the Management Letter, finalizing the litigation and claims note and authorizing transmittal to the State of Florida was approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Carpenter: The only item we have is part of the construction on the two new developments by Encore. There had been a request early on in the District to grant them a letter about the irrigation system. They need to construct that irrigation system and as a requirement, we have to grant a construction easement. I spoke to the developer today and their counsel is working on the construction easement; however, so we don't delay construction, we would seek to have authority given to the Chairman or Vice Chair to sign a construction easement and bring it back to the Board. We can send copies to everyone if they would like to see it, but it should be a pretty standard easement to put everything back to the way it was before they did the work.

On MOTION by Ms. Hobbs seconded by Mr. Dryburgh with all in favor authorizing the Chairman or Vice Chair to sign a construction easement for the construction of an irrigation system in two new Encore developments was approved.

B. Engineer

There being none, the next item followed.

C. District Manager's Report

i. Action Items Lists

Mr. Flint: The irrigation turnover is tied in with the construction easement that Jan just spoke about. I don't know if you want to elaborate more on the issue of ownership and operation of the irrigation system.

Ms. Carpenter: Yes. I forgot about that. At the last meeting, we asked for authority to send a somewhat nasty letter to Kingwood saying that we need to resolve these issues with the

irrigation. Before we did that, we got a draft of their proposed Operating Agreement. We just haven't had a chance, George or I, to go through it and see if it satisfied major requirements. So hopefully by the next meeting, we will have some information back to you all on if we think we are really in a place where we are moving forward to get it done or if we have to take other measures.

Mr. Flint: Okay.

Ms. Carpenter: That was great news. We at least got something.

Mr. Flint: Alan or Tricia, do you have any updates on the street parking and towing? We are showing the item as completed.

Ms. Adams: The only thing that changed since the last meeting is the Board directed staff to issue correspondence to residents letting them know that there was a more punitive phase being entered into and that cars were subject to towing enforcement for parking violations. There has also been communication and interfacing with the security team from District management staff regarding the operations and ensuring that the policies and directives of the Board are fully understood.

Mr. Harding: So, the notification hasn't gone out.

Ms. Adams: Yes, it did.

Mr. Dryburgh: I never saw it.

Mr. Harding: I never saw it either.

Mr. Dryburgh: Did you send it by email?

Ms. Adams: Yes, through the Master Association.

Mr. Flint: It goes through the Master Association.

Ms. Adams: It went out the Friday after the Board Meeting, but I would be happy to submit a copy to the Board Members.

Mr. Flint: The Davenport Creek Bridge gate access issue has been placed on hold. We are continuing to monitor that as construction proceeds in Reunion Village. The amenity status in regard to COVID-19 have not changed. We are continuing to operate the amenities in the same manner we have been and provided you updates at prior meetings.

Ms. Carpenter: Have we previously given authority to a Board Member if we need to change anything in between meetings? We just received something from one of the State agencies where they think COVID numbers will be increasing this month dramatically. It is the first time

I heard that being said. I guess you can give GMS the authority or get with the Chair if we needed to do something. Hopefully it's a false alarm, but it's probably worth being prepared.

Mr. Flint: It wouldn't be a bad idea if we haven't already done it for the Board to delegate authority to the Chair to modify the operating procedures as deemed necessary as a result of any change, such as removing chairs or closing the pool. There is talk about dramatic increases.

Mr. Greenstein: If it's a formality, I will do it.

On MOTION by Mr. Harding seconded by Mr. Dryburgh with all in favor authorizing the Chair to modify the operating procedures at the amenities as deemed necessary was approved.

Mr. Flint: Hopefully we won't have to do that, but it's good to be prepared. We would've done whatever we have to do regardless of the motion, but it's good to have that.

Mr. Greenstein: For anything on an emergency basis, you do what you have to do.

Ms. Carpenter: We generally go to the Chairman, but this was something that just came in as an alert.

Mr. Flint: Next is the Seven Eagles management transition. Tricia, do you want to give an update on where we are at with that?

Ms. Adams: I will let Alan start and then I will finish with any other details.

Mr. Scheerer: The transition has gone extremely well. We did a complete inventory of all the furniture. Obviously, the Board just approved that. The pool company is doing well and Tricia and I met with Kingwood and Reunion to review the cleaning procedures and staff. I think the place is looking really good. They are doing everything they can. I was in the Gym last night and the fitness equipment is going in. I'll be there again today to meet with the Reunion engineer about changing out the keypad on the Fitness Center door to a swipe card. So, we are doing that and we are also about four weeks out for the modifying of the fence.

Mr. Harding: They are making the front fence higher.

Mr. Scheerer: Yes, it would be 5 feet and six feet from the ground on the side by the planter beds. Yellowstone has done a great job in cleaning things up. We have some additional restoration going on over there for landscaping.

Ms. Adams: Some items that are pending were finalizing the transition of the utilities to the District's name. We are working with Kingwood as well as our accounting team. In the future, the Board will potentially see amenity policies, updates as well as a center that the Resort may want to use as a rental facility. Staff will update some of the District policies that could be

impacted by this transition. You will see cleanup items over the next few months related to the transition of Seven Eagles.

Mr. Harding: Did we decide what we are doing with the game room situation?

Ms. Adams: At last month's meeting, staff was directed to contact Kingwood to have the arcade games removed. That communication has happened. We have not yet received a date on when that will occur.

Mr. Harding: So, they are going to remove all of that. They are paying for it, right?

Ms. Adams: They actually receive a financial benefit. They receive a portion of the monies that people spend at the arcade. My understanding is there is about \$200 net cash flow.

Mr. Harding: We didn't decide what we were going to do with that room, yet. Did we?

Ms. Adams: Right.

Mr. Harding: As far as putting a ping pong table in there or doing something? I don't know.

Mr. Flint: No, we hadn't. There was some discussion of possibly keeping it as a game room and evaluating other vendors. That would be a possibility as well.

Mr. Harding: Is that something you would do?

Mr. Flint: Based on the what the Board's desire is, yes, we can reach out to other vendors to get proposals. The way the current agreement works, there is a minimum revenue threshold per month. If that is met, everything above that is shared on a percentage basis with the Resort. If it is below that, it actually is a cost to the Resort. They actually had to pay under that lease, but typically it is a small revenue generator.

Mr. Harding: It seems like we can put something in there, even with the ping pong table or something like that would be easy.

Mr. Flint: Under normal circumstances that would be a revenue generator for the District and there wouldn't be any costs, if it was a game room, but it is just a matter of whether the Board wants it to be a game room.

Mr. Harding: Maybe we should hold off until we are behind the pandemic.

Mr. Dryburgh: Was there some discussion on whether or not whether we could have mail kiosks inside of the building or whether it makes sense to have it in the parking lot. If we looked at that entire area, we could get a much bigger facility. So, it opens up other opportunities besides just the game room.

Mr. Flint: Yes. I think you talked about that at the last meeting, but you decided to keep the status quo on that mailroom for the time being. I believe that was what you all decided. It would be incumbent upon the Seven Eagles Condo Association to bear the cost of moving the mail facility. So that would probably be a discussion. You could take a hard-line approach and tell them that they need to move it. At the last meeting, the Board approved a License Agreement that allows that to have that there, but there is a termination provision in that agreement. There is no cost to them at this point.

Mr. Harding: We also have to remember that they are part of the CDD too.

Mr. Dryburgh: I would just mention that all of the other CDDs have theirs outside. What are the revenues?

Mr. Flint: I don't know. Kingwood mentioned \$400 a month. I'm not sure. I haven't seen the financials.

Mr. Greenstein: The financial aspect of this is a motivating factor. I take it we punted on the issue. We just took over the facility. I would like to see the machines removed so we can evaluate the space. I was over there with Alan yesterday and I discovered as John did and other people, that you have a bathroom and a kitchen in that room. The space between where the mail room and game room is, is actually a wall of glass that was painted over. At one time it may have been one open room. You can see where that false wall was dropped in. There is a big opening there. To me, our primary business is not to offer arcade game equipment/entertainment to anybody. We are not a part of that agreement. So, let the Resort terminate that agreement, pull out the machines, we will look at the condition of the room and the space. Just like we are working on a survey for use of business execution of land on the west side for a possible amenity, we can open it up and get some ideas as to what we can do with that space.

Mr. Harding: It will be better after the pandemic is behind us.

Mr. Greenstein: Yes, it's a nice space. If there are facilities right there in the room, not that you can open the door and walk out and go the regular facilities, it could lend itself to a community game room. We can talk to GMS about how to control access to it and schedule events in it. I just think we need to get the equipment out and then we can evaluate better what we want to do.

Mr. Harding: Like I said, it's probably not getting the proper use now because of what is going on.

Mr. Greenstein: Of course, not.

Mr. Harding: So, it's better to wait to see what is going to happen.

Mr. Greenstein: It's not as if we are giving up a tremendous amount of revenue by dragging our feet a little bit on this one. We just need the time to evaluate the property. We did walk around and see things for secondary fixes. It is a lovely facility. It's a good use of the space and it would be nice when we have it super active.

Mr. Harding: One other thing. As far as the code for the Fitness Center, is it time to change it because I'm not sure the right people are going in there to use these facilities now anyway.

Mr. Goldstein: We are going to change to the swipe card.

Mr. Scheerer: Yes. They would utilize the same access system to get into the pool. That's at 3:00 p.m. and Tricia said that she would be able to join me as well. They called me yesterday.

Mr. Greenstein: It would be nice if one card gets in there.

Mr. Flint: What is the status of The Terrace's signs?

Mr. Scheerer: It happened on the 7th and should be done by tomorrow.

Mr. Greenstein: So how many more do we have to do? I lost track.

Mr. Scheerer: I believe you have seven more. Again, that was a situation where those were individually installed with the original towing company. Then they folded and Fausnight Stripe & Line (Fausnight) pulled them out because they didn't pay them. They put the galvanized posts back in. That's how we got in that situation years ago.

Mr. Greenstein: Right now, every time you drive down Excitement Drive, you have to go deep in the back of The Terraces to see any remaining poles.

Mr. Scheerer: You don't see them as you are driving through unless you actually go through The Terraces.

Mr. Greenstein: By the end of this fiscal year or the next fiscal year, we can bring them up to speed.

Mr. Scheerer: Yes sir.

Mr. Greenstein: Because we have spread the cost of this project out over a number of years. Okay.

Mr. Flint: Do you have an update on the pool cameras?

Ms. Adams: Installation started a week ago.

Mr. Flint: What about the entrance monument at Spine Road?

Mr. Dryburgh: Alan and I met with the contractor. These are made of foam. They pretty much do whatever we want. We just have to make a decision and get the pricing. In my opinion,

the one on Spine Road, especially at the antenna making changes on Sinclair, Spine Road is going to be our main entrance. My suggestion would be to go with a bigger one, kind of like where the main entrance monuments are. We could do a smaller one. We don't have an idea on the cost on the difference of the two sizes, do we?

Mr. Scheerer: No. Steve and I were looking at the dog park this morning when the email came through with the design. It is a foam based product. They are going to skim it with a stucco finish. We want it to look similar to the newest one that was installed off of Sinclair Road. The thought process on this is when we go perpendicular to the road or parallel to the road, we have lighting out there so if you want to have it lit or signs showing the entrance on both sides, we can do it that way or just put a smaller one across the island. It will be tremendously smaller than what we currently have. Once we pick the design, we can go back to Darrin's group and say, "*This is the design we want.*" They will come out and perform field memberships on the median and Spine Road to determine just how big you want those things and we can come back to the cost. The goal would be that it would look similar to the rest of the signs. It's just a foam based sign.

Mr. Harding: Does the foam last?

Mr. Flint: As long as the landscapers don't hit them.

Mr. Greenstein: It looks great.

Mr. Scheerer: All of our signs look great. We know when he runs into them.

Mr. Harding: I know that, but if it is not going to last very well. We have foam windowsills on our house.

Mr. Scheerer: There are foam signs in the community in Brevard County that we manage and they don't do a bad job. We will do a maintenance inspection just like we do everywhere else. So, there will be a 6 or 8 maintenance strip around there, whatever the Board decides to go with. They are just edging it, not weeding around the base of the sign. We will add some lights.

Mr. Dryburgh: Before we proceed, are we going to ask them to do an estimate of costs?

Mr. Flint: Yes. That's what he's going to do.

Mr. Scheerer: If you get a selection of the design, we can ask them for a price for that.

Mr. Goldstein: Since that's so far area back from the street, I think we probably need to do the bigger one so we can see it.

Mr. Scheerer: Yes.

Mr. Goldstein: It's a waste of our time and money doing little ones.

Mr. Greenstein: The other thing we talked about was wood. There was the possibility, because we have a lot of signage throughout the Resort that had very nice posts. The sign itself probably requires some maintenance over the years. I don't know what the sign itself is made out of, but I think we need to look at other options, because I would love to be able to endorse the idea of an entrance that was overlooked. It should have an entrance monument just like the monuments at the other entrances. What was the price? It was a ridiculous number.

Mr. Scheerer: \$30,000 to \$40,000.

Mr. Greenstein: Close to \$40,000. So, we are looking for alternatives. We would like to see the pricing.

Mr. Dryburgh: So, let's go back to the design company that did the ones in the Resort. Look at the bigger signs and the ones with the foam.

Mr. Scheerer: I will meet with Aaron.

Mr. Dryburgh: I agree with Mark. I think the wood one might last longer than a foam one.

Mr. Greenstein: I know that the signage is smaller, but the signage we put up on the west side for the lane control, amplifies that into a sign three times the size.

Mr. Scheerer: We did the original request onsite and they felt that the foam would be a little better.

Mr. Greenstein: Lets list the pros and cons and we will make a decision. Thank you.

Mr. Flint: With the new bond issue we talked about, you approved the assessments today. We will have to come back with a Delegation Resolution before they can move forward and close. For the pool access, we were using the new modified system. We were looking at Seven Eagles as possibly a solution to some of the other community pools.

Mr. Scheerer: That is correct. The way we were going to do the Seven Eagles pool is costly because the entrance is twice as bigger than the rest of the pool. We did get some estimates for Carriage Point. The other swimming pools are about \$3,500 each to modify the 5-foot-high level to a 4-foot gate. I think The Terraces paid \$3,100 to modify theirs.

Mr. Flint: Why don't you describe around the gate and how we would prevent someone from re-entering?

Mr. Scheerer: Everything at the pools will be elevated to a minimum of 5 feet. They are going to do what is called an expanded metal on the back side of the gates. That expanded metal has holes in it so the air can travel back and forth through when the gates open and close. It will prevent you from reaching through and/or reaching over it 5 feet unless you are as tall or George

or taller than George. You are also going to have a striker plate guard that will keep them from putting a screwdriver or something in between the gates to push the striker out for the opening mechanism. That will prevent someone from putting a screwdriver between there and accessing it that way. At these other pools, there's only about three sections of fence. All of this is going to be custom made. It is all going to be fresh metal, powder coated whatever color we want them.

Mr. Harding: So, you think it's an extension of the existing fence?

Mr. Scheerer: All of that will be removed. This will be brand new.

Mr. Harding: Sounds good.

Mr. Scheerer: One of the things that I would like to do is to get with Kingwood. They provided the current locking system we have. We are not removing what is there now until it is time to move and reinstall.

Mr. Harding: Sounds good.

Mr. Scheerer: The expanded metal is a great idea. We have it at a couple of other pools and it works really well.

Mr. Greenstein: Trudy was concerned and we discussed at one point the other gates.

Ms. Hobbs: Yes.

Mr. Greenstein: That will be secured as well. The club will have access. The gate is on that side closest to the kitchen.

Mr. Scheerer: The locks are already installed. I just need to get with security to get a few more keys. Signs will be installed on both of those gates that says, "*Authorized Personnel Only.*" They are to be kept locked at all times when not in use so people can't get in. We will probably put another exit sign on either side as well, in case people come around the corner and they are trying to get out.

Mr. Greenstein: Sounds good.

Mr. Flint: You just ratified the easement that Mark executed, based on prior approval. Then we talked about the roads. So, the only other item that I wanted to bring up relating to 532 is the south side. Mark, I don't know if you want to lead that discussion. Based on the development along 532 on the south side, the question is whether it makes sense for the CDD to continue to maintain the right-of-way (ROW) on the south side of 532. They are coming and taking out trees and putting in turn lanes. They are impacting that area significantly. We have an irrigation system in that area, but as you recall previously when Andrew was here, there were some discussions

with the county. Initially they were receptive to some sort of cost sharing arrangement or something that would provide relief to the CDD, but then subsequently backed off on that.

Ms. Carpenter: I asked recently when I ran into one someone from the county, if we could come up with something that for example this lake, the county is permitting anything. Could they potentially ask for contribution? They said that they would explore it, but the problem is this is Polk County property. There is not a whole lot of Osceola County property. We did send letters to landowners at one point asking for voluntary contributions and we didn't get anywhere on that.

Mr. Harding: The cost, I think, for maintaining 532 was \$170,000 per year.

Mr. Flint: We would have to go back and look.

Mr. Harding: I'm just wondering, if we get rid of the south side, would one-third of that cost go away, or something like that?

Mr. Flint: I don't know that it would be one-third because the median is more than one-third.

Mr. Greenstein: Its rather modest. You obviously have the irrigation system in there and it is only a few feet deep, but it was done right. Yellowstone maintained it nicely, but now, as George said, because of development, they removed a lot of the trees and shrubs. When there was nothing on the other side and no development, it made sense for us to take responsibility for it. Work it out with the county, but now that there are developers, tenants' sort of speak, owners, there's development on the other side and they should have it. So, I raised the issue with GMS about notifying Osceola that we pulling out of that area, figure out the requisite costs and notify Yellowstone?

Mr. Showe: Cap the irrigation system.

Mr. Greenstein: Yes.

Mr. Harding: Have we ever gone to the apartments? This is a west side mater, but have we ever gone on Sinclair Road, as far as going back to them and saying, "We don't want to maintain the maintenance of that center median?"

Mr. Flint: Depending on which apartments you are talking about; they are in the CDD. They pay operation and maintenance (O&M) costs.

Mr. Harding: That is true.

Mr. Greenstein: That is Bahia.

Mr. Harding: We mow it. Right?

Mr. Scheerer: We do. Wherever they have done the improvements, we don't maintain. So, the improvements along Sinclair Road up to the sidewalk and curb, we no longer maintain.

Mr. Harding: I just thought I would mention it.

Mr. Scheerer: I have that spreadsheet somewhere. I apologize. I can't bring it to you, but I will make sure that we have it before the next meeting.

Mr. Greenstein: If I recall correctly, the number wasn't overwhelming. We therefore said that we will just leave it, but now that development is occurring more and more, now is the time.

Mr. Flint: Okay. Do we need a motion?

Ms. Carpenter: Let's do a motion because we may have to amend the agreement with the County.

On MOTION by Mr. Greenstein seconded by Ms. Hobbs with all in favor amending the agreement with Osceola County for the CDD to maintain the right-of-way on the south side of 532 was approved.

Mr. Flint: So, we will move forward and figure out what the right process is. We may end up just having to send letters to all of those property owners saying, "As of this date, we are no longer maintaining the landscaping."

Mr. Greenstein: They have gotten a free ride for all of these years. The only issue that came to my attention, which has already been resolved, is a water line relative to the signalization. We have an irrigation line near it that has to be moved. Nvision is going to move it.

Mr. Flint: They are going to contract with Yellowstone to move it. We told them, "If you are going to move it, it is your cost, but you need to use our contractor."

Mr. Greenstein: Okay. So, we have that covered.

Mr. Flint: It looks like we covered everything.

Ms. Hobbs: Can I speak?

Mr. Flint: Sure.

Ms. Hobbs: The back is completely bordered by a conservation area. There are signs along the border every so many hundreds of yards, which basically designates conservation and policies that list things you cannot do. Their signs are in bad condition, so I asked Alan to look at those. Some of them you can't even read.

Mr. Flint: We will definitely take care of that.

Mr. Scheerer: It will be done by the next meeting.

Ms. Hobbs: I haven't seen a lot of people wandering around out there. There is a lot of wildlife. Occasionally, I have walked through to the other side to see what's happening because there is some fencing near the development. There should be some consideration as to whether we want other signs.

Mr. Goldstein: Are you talking about adding signage on the Reunion Village side conservation area?

Ms. Hobbs: Yes. I walked down to where the village is going to be. I wanted to see what was happening down there. It looks like they put a fence along some of it. I don't know how far the fence goes. I think we need to put in some signs. We should start thinking about it as it being built.

Mr. Greenstein: I agree.

ii. Approval of Check Register

Mr. Flint: You have the December Check Register for the General Fund, repairs and maintenance and payroll totaling \$2,755,505. A significant amount of that is assessment revenue that comes from the County and then we have to write a check to transfer that to the Trustee for the Debt Service Funds. It's on the last page. You see, "Care of US Bank." Are there any questions on the Check Register? Hearing none, we need a motion.

On MOTION by Mr. Harding seconded by Mr. Greenstein with all in favor the Check Register for the month of December totaling \$2,755,505.08 was approved as presented.

iii. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through November 30th. These are the first two months of Fiscal Year 2021. No action is required by the Board, but if you have any questions, we can discuss those.

iv. Status of Direct Bill Assessments

Mr. Greenstein: We just had one.

Mr. Flint: Yes. We also have some February payments coming up. The only November payment not made is Orlando/Reunion Development, which is actually Kingwood. I believe we already followed up with them on that, but we will make sure that we collect it. Its only \$4,000. Are there any questions on the financials or direct bills? Hearing none,

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Supervisor's Request

Mr. Flint: Is there any other business that the Board would like to discuss that was not on the agenda? Hearing none,

FOURTHTEENTH ORDER OF BUSINESS

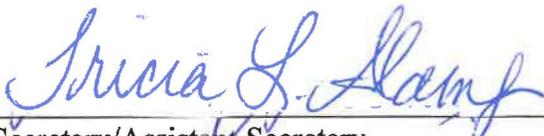
Next Meeting Date

Mr. Flint: The next meeting is the second Thursday in February at 1:00 p.m.

FIFTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Greenstein seconded by Mr. Goldstein with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman