MINUTES OF MEETING
VIERA EAST
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Viera East Community Development District was held Wednesday, January 25, 2017 at 2:00 p.m. at the Faith Lutheran Church in the Multi-Purpose Room, 5550 Faith Drive, Viera, Florida.

Present and constituting a quorum were:

Paul McCarthy	Chairman
David Bedwell	Vice Chairman
William 'Bill' Oakley	Secretary
Jo Walsh	Treasurer
Melinda Thomsen	Assistant Secretary

Also present were:

Jason Showe	District Manager
Tim Melloh	General Manager

FIRST ORDER OF BUSINESS **Roll Call**

Mr. McCarthy called the meeting to order at 2:00 p.m.

SECOND ORDER OF BUSINESS **Public Comment Period**

There being none, the next item followed.

THIRD ORDER OF BUSINESS **Approval of Minutes of the December 21, 2016 Meeting**

On MOTION by Melinda Thomsen, seconded by Joe Walsh, with all in favor, the minutes of the December 21, 2016 meeting were approved.

FOURTH ORDER OF BUSINESS **Unfinished Business**

A. Consideration of the Ratification of the Lake Bank Proposal

Mr. Bedwell: The first thing would be ratification of the lake bank proposal. Tim, do you want to speak on what they are doing?

Mr. Melloh: In the packet we just updated the lake bank proposal because the price has gone up with American Shoreline Restoration. We talked about it at the workshop. We are doing $28 per linear foot, we are doing 2,050 linear feet. That is going to be $57,400 and we have budgeted $60,000 for that. That is to restore the lake banks, right now we are working in Stratford and we will be doing another section down in Bay Hill later in April. The net work has already begun.

Mr. Bedwell: Any questions of the General Manager of that?

Mr. Showe: Just as a point, what may be beneficial if the Board wants to approve a not to exceed of $60,000 that way if they get the site and they need to spend a little bit more money than they had planned out initially Tim could just go ahead and approve that without bringing it back to the boardroom.

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, of a not to exceed amount of $60,000 for Lake Bank Restoration.

B. Consideration of Ratification of the Ice Machine Purchase

Mr. McCarthy: We also have the ice machine that was not to exceed $3,900 and I think it has done a good job there. John, who plays golf there, built the surrounding things around the cabinet and so forth. How do you feel about that Tim, is that going well for you?

Mr. Melloh: Yes, that was the Eisen water dispenser and this particular one is the ice machine for the cart bar. The ice machine for the golf course, this was refurbished several years ago. Right now it needs about $600 in repairs on top of the $200 or $300 we have already spent.

Ms. Walsh: I think we got that one about five years ago.

Mr. Melloh: So you got good use out of it.

Ms. Thomsen: Where do you put the ice?

Mr. Melloh: Because of the five year warranty, it is going to be placed inside the cart, it is what we used to put the ice out on the golf course and the kegs on the driving range. They fill up the beverage cart with extra ice. We went ahead and it is going to be hooked up tomorrow. The price of the unit was $3,648. Bill asked to get another quote on it. We could get it through

the Internet for $100 less but this company is local and they could give us a little extra service so we are using the extra $100 to go with them. I'm asking for not to exceed $3,900 because we are having dial plumbing installed and it has to be done by a certified plumber to keep the warrantee in tact. We are also having them put a water spigot inside the cart barn so we can fill up the water kegs too. That keeps the fresh water sanitary.

Ms. Thomsen: In the past, I heard comments that even if the guy came around and dumped the big green canisters, which is where I'm thinking you are putting the ice, is that correct?

Mr. Walsh: The kegs.

Mr. Melloh: The ice goes in the kegs, yes.

Ms. Thomsen: The comment was, I went out there and turned it upside down and tried to clean it out and out came tadpoles. So my personal thing is, I will not touch those green kegs. That has been over 4 years ago. I would like the correct information on how good those are and how often you clean them.

Mr. Melloh: I will get into that further. I know there is a sanitary procedure, and I will get that for you.

Mr. Walsh: On occasion we do replace the nozzles.

Mr. Melloh: I know that we have, within the last year, replaced the entire keg itself. There is a way that they sanitize and spray, I will get the information for how they go about that.

Ms. Thomsen: Well it would certainly make it easier for me to fill my thing because I refused to go anywhere but to the two bathrooms, and they are hard to fill from that angle.

Mr. Melloh: Ultimately, if we have the money and you would like to put the ice and water dispensers that we have at the restrooms. That is further down the road, the water fountains are fine.

Ms. Thomsen: Are we getting use out of that one where it is located?

Mr. Melloh: Are you kidding me? People are so appreciative of that all the time. Right where it is at is the perfect location.

Ms. Thomsen: Glad to hear it.

Mr. Melloh: Honestly, we have to fill the cups up a couple times a day.

Mr. Walsh: How does Village feel about that, that did take a little foot traffic. I know they were selling water, are they happy about that?

Mr. Melloh: Oh, without a question yes. I talked to Terri about that before we did it. The first thing was that it's not fair to her business to have to provide cups, straws, and lids which are about nine cents for that stuff there. It interrupts the service, and what it does for us is it gets people out on the golf course quicker. It allows her staff to be about to focus in on serving customers that are going to give them a tip and pay them money. They are quite happy about that because it makes them more efficient.

Ms. Walsh: So the lack of bottled water sales is not an issue for her.

Mr. Melloh: No.

Mr. Oakley: I was over there one Sunday morning and two ladies that were going in the restaurant decided to stop and get their water at the ice machine. They took the ice and water into the restaurant so the reverse is happening. We are supplying the restaurant with cups and water for some people. Which is fine.

On MOTION by Ms. Walsh, seconded by Mr. Oakley with all in favor, a not to exceed amount of $3,900 to Payne's Restaurant for purchase of an ice machine.

SIXTH ORDER OF BUSINESS Staff Reports

A. General Manager's Report

Mr. Melloh: On the CDD, we have our normal operations going on with the eradication of the basic species. Melinda, Bill, if you would like to get with Ed, we will tour around the District and show you what those guys do out there in the field. They are constantly busy. They control burn in the scrub jay habitat, they are trying to shoot for Friday so they can get things going on out there. It will be my first controlled burn so we will see how that goes. Hopefully, everything works out perfectly. Golf course maintenance, the collars around the greens have been sprayed for the volunteer rye grass termination and if anybody happens to say anything it has been sprayed. They can check it out. Some people had a little bit of concern about that but it is nothing to be concerned about. It is just something that you do.

Golf Operation Report

Mr. Bedwell: Scott told me today that you sprayed that before you put out the rye.

Mr. Melloh: Yes, so he got that sprayed out. Two knew T-bars and two of the new units arrived a couple days ago from Florida. The new greens mowers will not be here until March.

But, one of those T-mowers will be set up to mow that collar at a much lower height cut. So you will probably see less grabbing on that.

Ms. Walsh: Everybody will love that.

Mr. Melloh: It should work out great. We did finally start the clubhouse parking lot cart path. They are actually probably pouring concrete right now and it should be done and usable by Friday. We took the tree out, we ground the stump, they poured the concrete over the wires that lead to one of the irrigation boxes. There was an irrigation line under the concrete that we had to repair. It is all finished and all done so it should be ready to go by Friday. Golf operation wise, to date, we have sold since August 15th, 243 associate memberships. The program continues to grow strong. Rounds of revenue, we have the rounds report for December.

Mr. Oakley: Tim, are the associate memberships good for one year?

Mr. Melloh: Yes, one year from the day of purchase. So today revenue wise, through 24 days, we are running roughly $240 dollars per day ahead of our budget. So that is looking very good. We have had a little bit of weather too so that is good that we are able to make up for the days that we are down. Does anybody have any questions?

Mr. McCarthy: Just a comment, we are off to a wonderful start to the fiscal year. It is beyond my expectations. With the work that Tim has done, the greens getting done and the different types of marketing programs that he has initiated. This associated membership to me is fascinating. I never thought it would go that high in terms of the numbers and you could end up selling maybe 400 of these in the fiscal year.

Mr. Melloh: Yes, more and more people are really choosing to play our golf course on a regular basis.

Mr. McCarthy: And these are all people that are outside of the CDD community.

Mr. Melloh: Yes.

Mr. McCarthy: The thing that amazes me is that we are up 243, I do not know what percentage of these players have played this month but we are still averaging $37.06 and these people get a 20% discount. I thought it would be impacted more than that. I thought it would be tough to break $30 with more of these people getting the 20% discount, but we are still cranking at $37.

Mr. Thomsen: Do you have a way of coordinating the numbers on the cards with the people as they come in so you could track who is an associate member.

Mr. Melloh: Yes.

Mr. Thomsen: So you have a sense of percentage?

Mr. Melloh: Definitely. These numbers are just the 10,000 foot look at it. We can drill down right into CDD residents, a.m. and p.m., midday, associate memberships, morning, afternoon, so we can drill down even further. Next time I'll bring one. What I did was based on our conversation at the workshop, on the last page there, is the breakdown.

Mr. Thomsen: Oh, okay.

Mr. Melloh: This is the breakdown of the comp rounds. Here you are looking at the 642 comp rounds in December; 250 of them were Golf Now, trade times, weekday; 94 of them were Golf Now, trade times, weekend. And then you have local PTA professionals, which are really free rounds of golf that we give out to folks for whatever reason, Charity and other things. Staff rounds, for our employees, there are 117 of those. The staff rounds, when they bring a guest, there were 18 of those. The Washington Nationals, you probably will not see anymore of that because they are out of the program. The associate member round comp, we give the first round of golf free. So some of them redeem them that day, but some of them hold onto them and redeem them the next time. So that is how that breaks down. We can break this down for you any way you want to see it. I will bring a more detailed version of the full rounds the next time.

Ms. Walsh: On the Golf Now, are those ones that were available or were those ones that were used?

Mr. Melloh: Those are ones that were actually used. Yes. We offer them, as an example we give them 12 per day. So they could have, in December, used 360 of them and they mostly sell all of them but there are a few days where they do not sell every single one.

Mr. McCarthy: Tim, what is our daily rate now? Monday through Friday and then the weekend rate morning?

Mr. Melloh: In the morning it is $55 Monday through Friday. The weekends it is $57.

Mr. McCarthy: What are you doing when we have bad weather? You have the ability to drop the prices?

Mr. Melloh: Well, that is just the wrap rate. We have the Golf Now rate, the CDD rates they get 25% off $55, we have 20% off with the associate member. So when you drill down and it is $37 that includes people who play in the mornings and the afternoons, after 2:00 when we can really drop the rate down, nine-hole rates, and 20% discounts. Unfortunately, if I was to give

you the detail, the number of people that actually pay us the $55 and the $57 is not really that big. The good news is that February and March we are going to have a lot of visitors. A lot of those people will pay the $55 rate.

Mr. McCarthy: My question though is when we have bad weather, how do you control reducing the rates down? If it is Saturday and it is windy and cold?

Mr. Melloh: Okay, we could go right out on Golf Now and drop the rate. We could send out a message to all the people that are on the Golf Now Network to let them know we dropped the rate.

Mr. McCarthy: Are we doing that now?

Mr. Melloh: Oh yes, without question.

Ms. Thomsen: When they get those who do not have any clue about that, when you walk in to get your tee time what do they say? So if you are already booked for a tee time do you still get the discount?

Mr. Melloh: We do not get them any further discount, no. They are already booked, they are paying the rate that they booked for. But as an example, one day when it was really cold and windy outside we dropped the rate pretty significantly just trying to get somebody to come out and play golf and I think we got 23 rounds. You could not drop it low enough for people to come out and play in that cold weather. But Paul to your point, we are able to look at our soft zones. Tuesdays just always seem to be a soft period so we will go in there and adjust some tee times down to get people to come out. A lot of the times people are just not playing golf on that day. Tuesday is our ABCD scramble day just because traditionally at this golf course Tuesdays are a slower day than the others. This past Tuesday we still did $3,600. It was not the $4,000 we have done on other days like a Wednesday.

Mr. Bedwell: Yeah, I talked to Lane and he checks the weather. I don't know if it is the day before that but he is always checking the next day to see what he is going to do.

Mr. Melloh: So we have tools, that is one of the things that Golf Now gives us, that is why we give them trade out. We have tools from them that give us the ability to go on there and lower the rates and do this dynamic pricing when conditions are not right or we see soft zones. We are noticing that Tuesdays from 1:00 p.m. to 2:00 p.m. there is hardly anyone playing there so we will drop the rate down a little bit further there to see if we can get a few more folks out. But, you do not want to take people away from the 12:00 p.m. to 1:00 p.m. that are paying a

higher rate. So it is not always about dropping the rates it is about trying to drive more people to the golf course.

Mr. Oakley: I would like to thank you for doing the breakdowns on the comp rounds, that answered my question. It is appreciated.

Mr. Bedwell: I'm amazed Duran doesn't use Golf Now, I can't find any reason not to use Golf Now.

Mr. Melloh: There are a lot of people out there that do not like Golf Now, they do not like this third party. The problem is Duran likes to do their own thing. They will drop their rate but they only send it out to a small group of people. But if a guy from Lansing, Michigan, is new to the area and he does not know about the Duran, he is never going to know about the Duran until he stumbles across it. But when you are on Golf Now, there is like 5,500 golf courses on that network and when people go somewhere else to play they use Golf Now to see what golf courses are around them. So when someone from Michigan is coming to Central Boulevard and wants to play golf down there they go to Golf Now and type in what golf courses do you have? Well their's is not going to come up because they do not have Golf Now.

Ms. Walsh: You think about how we were before we had changed to Golf Now and we gotten the tee time system and all those things. There was a direct carryover from when we were partially still government funded by Viera Company. Viera Company is going to say to them, you are not doing that. We do not want to get involved in that. Now once Viera Company has completed however many that gets turned over, they may. But I would think it is the same kind of situation that we were in, just still continuing that line of what they had originally set up for us.

Mr. Melloh: Just some old business I will go over to get you updated on, IRCC in the driveway down here, I talked to their General Manager John Robinson told me about all the issues they had to agree on. They decided to just go in a different direction. They are going to look into getting a permit from the county and putting their own driveway in. So that issue is probably, for now, off the table. I did talk to the lady from AT&T in reference to the cell phone tower. When I pointed out to her, and I noticed Jason had done it earlier, but I do not think she is understanding some stuff, I was making it real clear to her and even invited her to come to our workshop on February 8th, and she still may do that but when she found out, and I made it clear to her that those two pieces of property are truly wetlands and that they are on our books as

wetlands, she says we absolutely do not want to have any part of anything that is a wetland or has wetlands on it. Because of the mitigation factor that is so expensive. The time frame to get that through is so long that they would probably seek elsewhere. She said she would look into it a little bit further from their end of it but it is likely going to be another thing that is off the table. I haven't gotten any word from her about whether she will come to the workshop meeting.

Mr. McCarthy: Okay, thank you.

SEVENTH ORDER OF BUSINESS **Consideration of Financial Statements**

Treasure's Report

A. Approval of Check Register

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the General Fund check register in the amount of $1,919,244.70 was approved.

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the Capital Fund check register in the amount of $9,450.60 was approved.

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the Golf Course Fund check register in the amount of $126,692.58 was approved.

Mr. McCarthy: As I remember, I think I signed a check before Joe became Treasurer for the 1,500,000. I think it is important that now that Joe is the treasurer she will sign all the checks. You want everything done down at this level here. Ultimately the five of us are responsible.

Mr. Oakley: Money from the county comes into the bank?

Mr. Showe: Yes, the counties will only cut you one check per distribution. So it comes into our general fund. I think in this case I am not sure if they wire it or if they send a direct check. We get one check into the general fund and we have to portion that out based on your assessment levels to the golf course and to the debt service.

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

Ms. Walsh: Did we find out anything about the taxing?

Mr. Melloh: I'm sorry, I have not.

Mr. Bedwell: On the page five, is this based on percent of actual revenue or is that a fixed amount every month?

Mr. Showe: No, that is a fixed amount. What we do is you have, in your general fund for example, a transfer to reserves. The $16,000 is for October, November, and December. On the adopted budget that entire 33 will get transferred throughout the course of the year. The same thing with the golf course, the entire $30,000.

Mr. Bedwell: We spend money here each month, something comes up or something breaks like the ice machine. Can we get trashcans at each golf tee box? It seems like every time I want to throw something away there is no trashcans.

Mr. Melloh: Well we put them on every other hole.

Mr. Bedwell: I'm not sure they are on every other hole.

Ms. Walsh: I did not think so either.

Mr. Melloh: I know that when we did it in the summer time we did that on every other hole. I'll find out if maybe one is missing.

Ms. Walsh: I have to say that the spot where you have done the grass, the crushed stuff and the flowers for the pin placement of the day is really nice and I love all the signage. All those small details really make a classy place. I'm really impressed.

Mr. Melloh: As we go along we want to do small things and focus on those small things.

Ms. Walsh: And I do like the new trash cans, I think they are more environmentally friendly and protect against squirrels and wind. I think it was a smart choice.

Mr. Melloh: Well we will make sure we have enough trashcans and add some more.

Mr. McCarthy: Jason, I have a couple of things. So the reserve fund, my understanding is the 2% of the golf revenue goes into the reserve fund.

Mr. Showe: I think that is what we formulated.

Mr. McCarthy: Okay, so there is 2% every month of the total golf revenue. Also, the general fund is just under $6,000 is scheduled to go in a month?

Mr. Showe: I think it is less than that. Total for the whole year is $33,000 so it would be about $3,000 a month.

Mr. McCarthy: So $3,000 out of the General Fund and 2% of the golf fund. And when you get an excess into the general fund then it gets transferred into the reserve?

Mr. Showe: Correct, at the end of the year whatever is excess in the general fund gets moved into the capital reserve and the same thing with the golf fund. We will move that into there.

Mr. McCarthy: And just off the top of your head, what was that last year. Do you have any memory of what that was? That is a tough question to ask you.

Mr. Melloh: Wasn't it $66,000?

Mr. Showe: It was somewhere in that ballpark. I will have to look. But the beginning fund balance and that is essentially your first quarter operating reserve. We have to keep that in there so that we can keep the general fund operating, but anything over that will get transferred. I can find out what that was.

Mr. McCarthy: Lastly, I asked Jason to do some research on a couple things. Our water management debt is almost $12,000,000, our recreation debt is $4,500,000 and he is going to give us a handout and it will be open to the general management board to ask any questions. I think there is too much misinformation about our debt. I think the better understanding we have the better off we are going to be.

Ms. Thomsen: What would it take to go to a fiscal year where it is January to December 31st?

Mr. Showe: I do not think we are legally allowed to. Under Florida statutes we are obligated to operate a certain way.

NINTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Bedwell, seconded by Mr. Oakley, with all in favor, the meeting was adjourned at 2:41 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman