

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 on Wednesday, January 27, 2016 at 2:00 p.m. at the Faith Lutheran Church, Multi-Purpose Room, 5550 Faith Drive, Viera, Florida.

Present and constituting a quorum:

Vincent Anella	Chairman
Paul McCarthy	Vice Chairman
Jo Walsh	Secretary
Bob Fritsch	Treasurer
David Bedwell	Assistant Secretary

Also present:

Jason Showe	District Manager
Tim Melloh	General Manager
Brian White	GMS
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Anella called the meeting to order, and roll call was taken.

SECOND ORDER OF BUSINESS

Public Comment

Mr. Oakley: I would like to commend the Board for doing such a nice job with everything that was included doing the deal with the restaurant. It looks nice in there and is something we as residents can be proud of. It looks like it is going to work out very nicely, and just to say thank you.

Mr. Anella: I know it is beyond my expectations.

Mr. Oakley: Being the treasurer of VEMA, Terri has worked very nicely with us as far as in dealing with costs for tournaments and stuff like that. It is much easier dealing with her than our predecessor, and she gives us a better rate and deal than what we got previously.

Mr. Showe: For the record, Ms. Walsh has joined the meeting.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of December 16,
2015 Meeting**

Mr. Anella: We received the minutes of the December 16, 2015 meeting in the agenda packet. A motion is in order if there are no corrections.

On MOTION by Ms. Walsh, seconded by Mr. McCarthy, with all in favor, the Minutes of the December 16, 2015 Meeting was approved.

FOURTH ORDER OF BUSINESS

Unfinished Business

A. Ratification of ADT Service Contract

Mr. Showe: We brought back the ADT contracts after the Board had a consensus at the workshop to approve those. We just need ratification of the Board to approve the contracts.

Mr. Bedwell: Did we decide to go with a lease? Is it a five-year lease?

Mr. Mellow: Yes, it is a five-year lease.

On MOTION by Mr. Bedwell, seconded by Ms. Walsh, with all in favor, ADT Service Contracts were ratified.

FIFTH ORDER OF BUSINESS

New Business

A. Consideration of Agreement with Landirr

Mr. Showe: Landirr did send a formal agreement to us and we are having Counsel review it so we still have a little bit of work to do on the front end with District Counsel to make sure they are comfortable with the form of agreement and terms and conditions. We can have the Board approve the contract subject to Counsel review and approval.

Mr. Anella: When do they need money?

Mr. Melloh: It will probably be a 10% deposit up front.

Mr. Anella: If we sign the contract now we have to give them 10%. Should we wait, as we are not going to do this job until May?

Mr. Melloh: We want to give them a 10% deposit so it is on the books. If not, they will get another job and schedule it for the time period we need.

Mr. Anella: The 10% is about \$17,000.

Mr. Melloh: Correct.

Mr. Fritsch: Is the practice green included in this?

Mr. Melloh: Yes.

Mr. Fritsch: It will put more heads on the putting green, but the practice green will have the sprinkler.

Mr. Melloh: Right, the putting green and chipping green.

Mr. Fritsch: When it says you are going to strip collar and haul the stripping to an on-site location, what does that mean?

Mr. Melloh: We will haul them to a few locations where we are going to make tee boxes out of them. As an example, the ladies tee on #11 needs to be moved over because it is right next to a big oak tree. As I said in previous meetings we can either kill the tree or move the tee box over. While we have these spoils it would be a good place for them and there are some other areas where we want to construct some large tee boxes.

Mr. Fritsch: We have that big hole on #9 pass the fairway bunker.

Mr. Melloh: That is another good example. There is not going to be a ton of it. It is a manageable amount they will be stripping off.

Mr. Fritsch: I like the idea of the tees.

On MOTION by Mr. McCarthy, seconded by Mr. Fritsch, with all in favor, Landirr, Inc. Agreement for Irrigation and Collar Proposal in the Amount of \$167,090 was approved, subject to District Counsel review and approval; and Chair was authorized to execute the contract.

SIXTH ORDER OF BUSINESS

Staff Reports

A. General Manager CDD Report

Mr. Melloh provided an overview of the CDD Report, copy of which is attached to the official "Record of Proceedings" for these minutes and made a part hereof; whereupon, a discussion period was held.

Golf Operations Report

Mr. Melloh provided an overview of the Golf Operations Report, copy of which is attached to the official "Record of Proceedings" for these minutes and made a part hereof; whereupon, a discussion period was held.

Highlights were: Course condition is good; cleaning up of landscape beds and installing shell rock for beautification; 52 participants in the ABC scramble on January 19; next scramble is March 29 skipping February; selected staff members will be attending PGA merchandise show tomorrow; and range balls are in need of replacement soon.

Mr. Anella: Didn't we purchase that recently.

Mr. Melloh: It is about 5 years old according to the paperwork. We are having issues with the machine. It spits the balls everywhere. You put a coin in wait 5 seconds, put another coin in, wait another 5 seconds. I have never seen a machine operate like that.

Mr. Fritsch: We purchased that machine at the show. It was on display. He cut a deal with them. I think we should authorize our manager while he is at the PGA show to be able to purchase one if there is a good deal.

Mr. Anella: Do we remember the amount?

Mr. Bedwell: I think it was about \$4,000, but I don't know.

Mr. McCarthy: In your view, are you saying we should replace it?

Mr. Melloh: It is not functioning correctly and it causes bad customer services. So many times people go out there and don't wait 5 seconds, lose a golf coin, and have to come back into the golf shop. There are machines that have software where instead of using coins you punch in a code. There are so many better ways to manage the operation.

Mr. McCarthy: In your view is there a price range that you would find acceptable?

Mr. Melloh: I was thinking in the lines of about \$6,500, but there are also ways to lease that equipment as well. As an example, the one I bought at FSU was in 2000 and it is still going. Range Servant is a company that manufactures a durable machine and can give us 15 to 16 years of service. We can lease it over a period of five years so the total amount does not have to come out of pocket at once. I will gather all that information at the PGA show, but to Bob's point if they do have something special where they want to dump their demo we should get a consensus.

Mr. Showe: You can also provide him a not to exceed amount at this point. If he sees something under the not to exceed amount he would be authorized to purchase it.

Mr. Anella: Either way you are looking at \$6,500. Is there any value on the trade in?

Mr. Melloh: Not as a trade in. We may be able to sell it to another golf driving range. We would have to surplus it.

Mr. Anella: What is the best way to handle this? Give him a not to exceed.

Mr. Showe: You can also delegate authorization to the Chair for Tim to call if he sees anything for purchase.

Mr. Anella: Either way, I don't want him to miss an opportunity.

Mr. Bedwell: Would not to exceed \$7,000 be a good number?

Ms. Walsh: That is what I was thinking. If you see something as far as leasing that would be a better offer, that is fine.

Mr. Melloh: My initial thought is I didn't want to run our reserves so far down.

Mr. Anella: I would look to a lease unless it is a really good deal.

Ms. Walsh: If there is a \$10,000 machine and they are going to give it to you for \$6,000.

Mr. Anella: Use your judgement on that.

Mr. Melloh: Initially my thought was a \$300 or \$400 a month payment would be better than putting out \$7,000 at this time because with the weather we don't know how we are going to come out of this, and we want to keep as much in the reserves as we can. It is critical we get this done correctly through the summer time with the greens construction. If I find something, I can give you a call.

Mr. Bedwell: When Justin was there we didn't have a machine that worked; he saw it and bought it. It cost us a lot of energy to get the machine moved from there. If you order one, lease it, have it delivered and set up.

Mr. Anella: What kind of motions should we do?

Mr. Showe: It sounds like delegating authority to the chair to allow Tim to purchase the machine if he finds something that is acceptable. That would probably be easier as he is not sure if it will be a lease or a purchase.

On MOTION by Mr. Fritsch, seconded by Mr. McCarthy, with all in favor, the Chair was authorized to Purchase a Range Ball Machine in the Amount not to Exceed \$7,000.

Mr. Bedwell: Will golf carts be at the show?

Mr. Melloh: Yes, anything having to deal with the golf industry will be there. There are three main players for golf carts, ClubCar, Yamaha, and EZ Go. I am not only going to look at the features, but I feel I would like to get a price for an add-on which is GPS for the carts. I had them on our golf carts at FSU and I can tell you they speed up play, give you a better experience, and with our golf course we have so many forced carries over bunkers and water hazards that if someone comes from Michigan and plays for the first time he has no idea how far it is to clear the bulkhead and how far it is to hit it into the trap on the back side. If his golf cart tells him the information, he doesn't have to take out his Bushnell and shot the flag.

Mr. Bedwell: I was on one that told you if you were falling behind.

Mr. Melloh: It give you information as to where you stand, 3 minutes ahead of pace or 10 minutes behind. The biggest thing is it gives you a screen inside the golf shop where we see every golf cart on the course and tell us where they are, what their pace is and we can dispatch a player assistant to those location. It gives them the ability to order hotdogs and beer from the grill and have them ready and waiting for them. It also give us the ability to sell advertisement to help offset the cost of the program. Someone going from #1 green to #2 tee sees an advertisement pop up and then it goes back to play.

Mr. Fritsch: Is that a separate purchase that comes with the golf cart?

Mr. Melloh: It can go either way. The golf cart manufactures are going in together and offering it as a package. It comes right from the factory and installed. In the RFP we will ask for a quote on the golf cart and then a quote with the add-on.

Mr. McCarthy: The one feature I liked is if they go where they are not supposed to be you can shut the cart down.

Mr. Melloh: There are other features for safety. If they are at hole #5 and someone is having a heart attack there is an emergency button. There are a lot of good things about having GPS on the golf carts. It will set us apart because no one else in this area has it as far as I know. They are coming down in price so it is good to kick the tires to see if it is something that might be for us. I do like the ability to sell advertisement on them to mitigate the cost of the GPS add-on. That is what the show is all about. How can we make ourselves better and make more money. It is 1.4 million square feet of nothing but golf. If anyone wishes to go, let me know and I can put you in for a pass.

In review of the rounds for January, the weather has not been cooperating. To date we had about 14 days where weather has affected play. Most of those days there has been very limited amount of revenue. When we do have good weather, the revenue is really good. People are coming out and playing in droves. People are making great comments about the golf course. They feel it is in great shape. The greens are putting really well for them. If we can get some good weather we should be able to make up the loss in revenue in February and March. Through the 26th you had \$75,239 in cart and green fee revenue and that does not include merchandise sales, driving range sales and the portion of membership dues that goes along with that. Our average daily round per golf is \$36.10 which is \$4.10 ahead of budget. When we are able to put the rounds out, people are having no problem paying our rate. I am happy with that.

Mr. Fritsch: If you look at Thursday, January 7th we had \$4,397 for revenue, Monday the 25th \$4,546 and Tuesday \$4,300, we are almost close to what we do on Saturday and Sunday. That is a very positive thing. Is there any explanation for that? Why we are getting so much play?

Mr. Melloh: People are finding the greens very playable and there is a lot of good chatter out there. We have been doing some marketing and working the GolfNow rate and getting information out to folks. It is a good plan that is coming together and I am anxious to see what February and March holds.

Mr. Fritsch: Those are very good numbers for a Monday, Tuesday and Thursday.

Mr. Bedwell: Did you have people coming over from the hotel yesterday?

Mr. Melloh: We have been getting a lot of hotel business. As an example, Monday and Tuesday both days were \$4,300. The weather was nice and people were out there having a good time. The pace of play has been pretty good. We are getting serious golfers. The driving range business is doing well and we are selling some merchandise.

Restaurant Report

Mr. Melloh: Divots Grill got their certificate of completion so she is done over there. There is some ongoing painting and carpeting going on. By in large everyone is loving it and she is going a great job. It is looking really good in there. The HVAC system is currently being installed. The crane came in yesterday to lift the condenser unit and relocated the unit to get some dry storage. There is an air handler the size of the space shuttle sitting in her office. It is definitely going to do the job. We did install the tankless water heater, and it is working really well. We had an issue right out of the gate where the water coming out the heater was too hot but when it got the faucet it was lukewarm. We had a couple of people on it and apparently in the attic there are mixer valves and their job is to mix the water so the water is not scalding. The mixers were causing a problem. Those were taken off and once that happened the water temperature was up to 120 degrees that we needed.

Ms. Walsh: Is the bathroom from that same water heater?

Mr. Melloh: Yes, but we bumped the temperature down. The old water heater was set at 180 degrees. They couldn't figure out why it wasn't coming out hot. By heath codes the water has to be so hot for the dishwasher so they just cranked up the heat up. Think about all the money you spent heating the water to 180 degrees at 2:00 a.m. This will save her money and be more efficient.

Mr. Fritsch: It would be interesting to do a comparison between the old figures and new figures for the cost of the heating and air-conditioning.

Mr. Bedwell: Let's start recording that so we don't have to go to her for the information.

Mr. Melloh: On January 21st Terri hosted a parrot head party with live music. She has 120 attendees which was a full house and had to turn about 50 people away. Everybody had a fantastic time. I heard all kinds of wonderful times.

Mr. Anella: She is going to have an interesting challenge to keep the types of enjoyment we get out of the restaurant. It was very good.

Mr. Melloh: She is doing a barbeque in February 28th. She is going to extend the menu to have fish tacos so the people who observe lent will be able to attend.

Mr. Anella: The event was first grade, the music, the food, everything. People had a good time. I foresee her packing them in until something changes. She is very professional.

Mr. McCarthy: She was talking about renting a tent for the side of the building to increase the space. I don't know if she had discussed that with you yet.

Mr. Melloh: She has mentioned it. My comment to her was we do have a covered verandah behind the ProShop and the breezeway. She is welcomed to use that as long as it doesn't infringe on the golfers and I don't see that it will. I know the tents can be very expensive to rent. They go for \$600 to \$700 bucks.

Mr. Anella: The danger is when you start of real good, you start expanding. She is pretty sharp.

Mr. Bedwell: I said Terri at the end of the night you become a victim of your success when you start turning people away.

Mr. Melloh: It is how Outback Steakhouse works. Part of the allure is you can't always get in there right away. They build themselves purposely a little on the small side so there is the allure. It is all good business sense for sure. That concludes my report.

Mr. Showe: I have one thing under staff reports. We were contacted on Monday by the Brevard County Environmental Endangered Lands [EEL]. There was talk a couple of years ago about Viera Company selling some property on Barns Boulevard to EEL and it seems like those talks have started back up again. It is property we do assess so we did so we did let the county know that in order for us to raise the same amount of revenue we will probably have to raise the homes by \$8 per home and at about \$80 an acre for the commercial property. Plus I did let them know that the Board would have to incur about \$5,000 worth of costs to do the mailed notice,

which would be required for those assessments. We did ask them that if that is going to happen that we get as much notice as humanly possible so we can do our budget prep we would need to do to make that happen. They said they would let us know, but to let the Board know, it is something we are keeping an eye on. Those things never happen quickly.

Mr. Anella: We did a lot of work when Mary Bolin was the Supervisor at the time, and we got her support on that vote.

Mr. Showe: I think that is why they asked us because they were trying to make sure they were getting the right information because the Viera Company was giving them information that they wanted to verify with us, and it is going to be \$8 a home to try to raise the same amount of money we have now if we lose that assessable land.

Mr. Anella: Will we get any money out of that?

Mr. Showe: Anything that is within the boundaries of the District we collected through the prepaid fees or we are getting assessment on already on acreage basis on all the commercial properties. The difference is if the County purposes these properties it is no longer eligible to be assessed so we would lose that. We could always press them because there is debt service that they would have to keep paying at least the debt service. There are ways we can work with them. For now it looks like they are in the preliminary stages.

Mr. Anella: The reason the land is available is because you can't build on it.

Mr. Showe: The entire property is about 20 acres, and there is only 8 acres that is developable so we assess them for those 8 developable acres.

Mr. Anella: The Viera Company would love to get rid of it because it is land they cannot build on.

Mr. Showe: There is about \$46,000 in CDD assessments.

Mr. Anella: Did Curt Smith replace our seat?

Mr. Showe: Yes.

Mr. Anella: He is a pretty reasonable guy. Maybe we need to attend a meeting, meet the county commissioner and let him know we were very interested in this and let us know when it comes up on the agenda.

Mr. Showe: I will definitely keep in touch with him even if we don't attend the meeting, periodically I will ask and check in to see what is going on because we would definitely need to know what is happening because it would impact our budget going forward. I am just letting the Board know that contact was made.

Mr. Anella: At some point in time Tim will need to go down there and establish a relationship with them so they can deal with you if anything comes up. That is what we set up the last time because Board Members come in go.

Mr. Melloh: I will try to get down there and schedule a meeting.

SEVENTH ORDER OF BUSINESS

**Treasurer's Report – Consideration of
Financial Statements**

A. Approval of Check Registers

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the January 18, 2016 Check Register in the Amount of \$2,361,014.65 for General Fund was approved.

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the January 18, 2016 Check Register in the Amount of \$157,004.07 for the Golf Course Fund were approved.

Mr. Anella: Before we get to the financial reports, the action item that you fulfilled which was your recommendation as to what we may be faced with in losing revenue, can you go through it with us?

Mr. Melloh: The first line is May, June and July because we will play the regular greens through May 15 and on May 16 go to temporary greens and be back to open on August 1st. That is the plan. Right now the budget expenses for those months are \$123,163. I should have titled the next column savings. We don't have golf cart lease anymore, we don't any merchandise, and we will be saving a little money on merchandise costs, a little money on golf operations and a little money on maintenance labor. I came up with an adjusted budget of \$111,831. Based on what we did back in 2010, we had a fair amount of play on the temporary greens. I projected the revenue I feel we can get during the down time. The reason why May is \$58,000 is because we will be playing on the full golf course for the first half of the month. The total for the 10 weeks of being down is \$204,493. The better we can do in the months leading up to that will help, and while we are in those 10 weeks we will come up with everything we can to try to get people to play the course, use the driving range, buy merchandise, and save expenses as we can so we don't have to take out any funds out of the reserves. With the budgeted expenses and this we are under the \$600,000.

Mr. Anella: When you update this I suggest that since we already paid for items 8 and 9 which looks to be \$74,000, let's deduct it from here and the 10% we would eventually pay, and put down a potential loss which you are estimating to be \$204,000 so we will have a total estimated cost of the entire renovation of something a little under \$600,000.

Mr. Fritsch: Put down the total reserves we have.

Mr. Showe: That is something Brian and I have been talking about and play on presenting at the workshop. We will minus what we have already spent and what we project out.

Mr. Anella: And have it on one sheet of paper, and date them so when you revise them we will know where we are.

Ms. Walsh: What kind of chatter are you hearing regarding the gold and platinum memberships? What kind of information are you getting?

Mr. Melloh: Most of the people have asked that they want to freeze their membership, but they still plan on paying as they go. Part of the plan we want to be able do is with those in the fun group and ladies association is once in a while having everyone go and play at Durand, and keep the group together and keep everything going. We may run a few golf tournaments to keep everyone happy and engaged. We don't want people to go away for 2 ½ months.

Ms. Walsh: I was wondering when you said having revenue come back in. If they are going to freeze their memberships that brings us more cash flow during that time.

Mr. Anella: Let's assume it is \$25 to play; if you want to play twice a week you will pay \$50 a week, \$200 a month to play plus your cost of your membership. It should be an interesting decision of some of the people who play a lot of golf.

Ms. Walsh: I was just curious as to what you were hearing.

Mr. Melloh: Most people are very appreciative that the Board is not going to force them to use their membership. We told them they don't have to make the decision now, and we will get the information out there and give us some feedback and turn it into us so we know what your intent is for the construction.

Mr. McCarthy: From what I understand you are saying a membership can be frozen and they can pay the reduced green fees and play five days a week and not lose anything for the 10 weeks we are down.

Mr. Melloh: Yes. We will hold their membership and add the 2 ½ months in at the end, and collect the money then.

Mr. McCarthy: One of the things we have to be clear and concise on is how we are going to handle it because someone will not get the memo.

Mr. Fritsch: If enough of them choose the delay we won't get the pop at the first of October.

Mr. Anella: Maybe next year they can buy 15 months instead of 12 at a reduced rate.

Mr. Bedwell: Last time a lot of us enjoyed playing on the temporary greens. Maybe you can get with Terri to run either weekly or biweekly events to bring people in from the outside.

Mr. McCarthy: Last time we had a great deal of play, surprisingly a lot being it was a temporary green. To Joe's point you don't have to deal with sand traps, the course is shorter and you will have more success because instead of shooting an 85 you shoot a 75 and walk away happy.

Mr. Anella: That is a good point. Most importantly we need sun.

Ms. Walsh: I think we can make it adequate. We will find a way.

Mr. Melloh: I am digging through all the past records to find out what they did charge.

Ms. Walsh: It was \$15 and basically it was the cart fee.

Mr. Bedwell: We have this reserve and when we agreed to change the water heater, we could have left what was there and dealt with it a year or two years from, but we said this is the opportunity to do it. Now we have to watch every penny and assess every dollar that we spend. Maybe we can't pull that sand into the bunkers that we talked about until we know where we stand.

Mr. Anella: Next month at this time we will know what February is doing and that could be a key in what is decided because last year in February we did \$43,000 and in March we did \$76,000 in net profit. We will have to take the lumps from January but next month at this time we may be able to breathe a little easier. Right now it could rain forever, I hope not.

Mr. Melloh: I think to date, we are about \$12,000 ahead of plan right now. October, November and December have been pretty good so we are a little bit ahead of our plan right now.

Mr. Fritsch: If I remember March last year was over \$200,000.

Mr. Anella: And we made \$76,000 and in the middle of April is when our greens started to transition.

Mr. Melloh: And we had all that rain.

Ms. Walsh: Also we don't have the restaurant to finance.

Mr. Anella: It seems that is not making a dent because of our negative numbers. That is the other thing. She didn't produce her report.

Mr. Showe: We talked about that. It was because all her computers were shut down and the desk was taken out.

Mr. Anella: Send us an email as soon as you get it. I am anxious to see the payroll number. So far the first two months has been a little less than what they were when we had it.

B. Balance Sheet and Income Statements

Mr. Showe: The balance sheet and income statement as of December 31, 2015 were provided separately from your agenda packet. No action is needed, but we can answer any questions you may have for us.

Mr. Anella: I have two questions. Did we buy a huge quantity of fertilizer? Eventually it will ease itself out.

Mr. Melloh: Yes.

Mr. Anella: The cost of fuel is slightly lower than last year, but it doesn't show a big difference. I know we use the high-octane fuel. I was thinking it would have gone down a little as we used the same budget as we did last year. Maybe in the next month or so we will start seeing some savings. There has got to be over \$1 difference.

Mr. Bedwell: I was at the Suntime Café and next door there is a gas station that sells lead free, and all the landscapers pull in with the machines and it is still \$3.49.

Mr. Anella: It is still up that high.

Mr. Melloh: We are more active this year. One thing that was a little strange to me was last year is they just used the maintenance of the golf course so they didn't even come close to spending what they should have on fertilizer and chemicals and is why we had goose grass. We are trying to keep the golf course healthy and in a good playing condition. We take our expenses for the entire year and everything is 1/12th where it looks a little higher now where we don't buy it in January and February. It is the same thing with payroll. We use the starters a lot now, but when we get into June, July and August they may be there for an hour and then we send them home and the payroll comes way down, even though it has the same budget as January.

Ms. Walsh: It will always be that way when we do a percentage.

Mr. Anella: The other question I had was on repairs. Do you recall off hand how many repairs there were?

Mr. Melloh: We had a broken door in the ProShop. We had a water cooler that needed to be fixed.

Mr. Bedwell: We had a lightning strike that took a whole panel out.

Mr. Anella: We spent year to date 1/3. The budget is \$32,000 and we spent \$12,000 year to date. It is unusual and it happens, just as long as you know what it is and it is being done according to the budget.

Mr. Melloh: We had a plumber out several times, especially out at Woodside Park. I'll get the documents together.

Ms. Walsh: For October, November, December and January it seems like it is where it should be.

Mr. Bedwell: In the restaurant we recorded \$2,101 in restaurant revenue. Do we reimburse her for that?

Mr. Melloh: We put some of the gift card revenue to the restaurant. We allow her to use some of the gift card money.

Mr. Bedwell: So next month it will be reversed out.

Mr. Melloh: No. When you get gift card it offsets when someone purchases food. For example when we had the ABC Scramble, we ring up the credit book money, we put half toward the golf shop and half towards food beverage. It helps her going.

Mr. Bedwell: It is on our books, not hers.

Mr. Melloh: Isn't the rebate we got back from Carol Distributing?

Mr. White: That is probably under miscellaneous.

Mr. Fritsch: Anything that goes out to her, we need to understand what it is. Not just one lump sum so the question doesn't come up.

Mr. Bedwell: And year to date on restaurant expenses we spent \$3,485.

Mr. Melloh: We have repaired some of the equipment. The electric is ours. For example, the hood just blew a fan belt. It has been an ongoing issue and we had a company come in to straighten the pulleys on it. Because it occurred with 90 day and we gave her a warranty on the equipment, we had to repair a faucet and other things in the restaurant.

Mr. Anella: As long as you have a handle on it.

Mr. Bedwell: The associate membership is not doing as well as we thought. Do you think the \$149 may have been too high?

Mr. Melloh: I was talking to Lane about that. We have 36 solid members who are using it, but maybe next time we may lower the price a little bit or include their first round of golf with their payment.

Mr. Bedwell: I have had some comments and \$149 is just a little high. Think about it.

Mr. Melloh: Again, the way we arrived at that was the fact that in the past we always allowed people to the \$128 to get the CDD discount. We came up with \$149 which allows them to get a discount, not as good as the CDD, but they got 20% plus the associate membership. That is how that was arrived at. Again, when we go to look at it and with my notes the next time we may make it \$129 and include the first round of golf. It would be a lot more appealing to people, and then we get away from the theory of having people pay extra money to get that discount.

Mr. Bedwell: The cost of giving them a free round of golf will cost them the same about of money.

Mr. Melloh: In retrospect it is too high.

Mr. Anella: How many members did you say they had?

Mr. Melloh: 36.

Mr. Anella: Of that 36 how many were former pre-paids?

Mr. Melloh: I don't think any of them were former pre-paids because these people are not even in the CDD. As an example, we had a situation where two members came in and they were not part of the CDD so we offered them the associate membership, and they did that about two weeks ago.

Mr. Anella: Those are the people we are trying to get.

Mr. Melloh: It has its place, but I think it was a little overpriced.

Mr. Fritsch: I think \$129 plus the first round free is better.

Mr. Melloh: That is something we will change.

Mr. Fritsch: When do these expire?

Mr. Melloh: 12 months from purchase.

Mr. Fritsch: It is going to be difficult to implement a different price when they have different anniversary dates.

Ms. Walsh: There is nothing from saying we are reducing the price and we would like to give you a free round of golf.

Mr. Melloh: You are right; we can go back in and give those 36 people their free round of golf.

Mr. McCarthy: That is probably not a bad idea.

Mr. Fritsch: See if it will increase the sales during the off-season.

Mr. Melloh: Maybe start that in April. I will bring it back.

Mr. Bedwell: The \$129 is not the issue; it is getting more people to play. That is what we are trying to do.

Mr. McCarthy: They can tell their buddies they got a free round of golf with this membership. We are looking for people outside of the CDD. That is the purpose of that.

Mr. Melloh: We also want those people who play with us locally in the off-season to feel welcome during the season. I know it works because my brother-in-law is a member of the county program down in Dade County and they have ton of people on that type of a program. They get to play at Key Biscayne even though it is \$100+ and they get to play for \$90.

EIGHTH ORDER OF BUSINESS

Supervisors Requests

Mr. Anella: Is there anything from the supervisors to add?

Ms. Walsh: I know Tim is working on my question? Did you get the text that I sent you?

Mr. Melloh: I was not able to get a hold of anyone, but I did find something on line that tells you all amount that program, and the fact that it is going to be there until 2018. I am going to see if I can get somebody on the phone, but I don't know if we will be to do anything to move that. I'll do some digging on it. We can ask since this is going to be going on for three years, why don't you build us a wall.

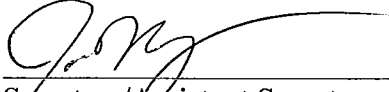
NINTH ORDER OF BUSINESS

Adjournment


There being no further business,

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On MOTION by Ms. Walsh, seconded by Mr. McCarthy, with all in favor,
the meeting was adjourned at 3:02 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman