

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, March 22, 2017 at 2:00 p.m. at the Faith Viera 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 February 22,
2017 Meeting**

On MOTION by Mr. Bedwell, seconded by Ms. Walsh, with all in favor, the minutes of the February 22, 2017 meeting were approved.

FOURTH ORDER OF BUSINESS

Unfinished Business

Mr. Melloh: On the CDD, we have our normal day-to-day operations and they are proceeding as planned. We got to work on cutting and maintaining the fire lines. We have a

three-year plan and they cut the fire lines behind the homes. We do send out letters to the residents letting them know we are coming to do that. We did receive one of our new hybrid green filters, and we have to get that set up. The other one should be arriving soon and we will also get that set up. That is very exciting because those will make the greens even better.

Golf Operations

Mr. Melloh: To date we've sold 307 associate memberships since we opened the new greens on August 15. I also have the rounds and cart revenue here for you. We did run into some foul weather with some rain threats and rain, but mostly cold weather and high winds. With that being said, we're still running about \$350 per day ahead of budget, which is good news. Does anybody have any questions?

Mr. Bedwell: The associate membership on this sheet, is that in the public round?

Mr. Melloh: I'm pretty sure it is, yes.

Mr. Bedwell: That's pretty good. For \$35 you get a %20 discount.

Mr. Melloh: I have a sheet that I'll put in each box that breaks down what the associate member pays us per round, the member, the CDD residents, the Golf Now rounds, the tournament rounds, and all that. I've got a detailed list of those numbers.

Mr. Bedwell: We don't need the summer fun cart unless you are going to do it.

Mr. Melloh: We are not going to do it. These are from before and I think Brian is just trying to show you from year to year.

Mr. Bedwell: It is amazing what is in there.

Mr. Melloh: Yes, it is.

Ms. Walsh: I would think the associate members wipe out the summer fun card, wouldn't it?

Mr. Melloh: Yes.

Mr. Bedwell: There used to be a lot of talk about how cheap the pre-pays played and we're up to \$23 per round. Remember when it was \$17 or \$18?

Ms. Walsh: Yes, and they were the only rounds out there.

Mr. Bedwell: We haven't raised the price that much; I guess the older people are playing fewer rounds.

Ms. Walsh: Part of it is attrition. I think before we had Chelsea, we only had prepaid golfers playing and they took up the whole morning, which was our peak time. That has changed tremendously.

Mr. Bedwell: A lot of them play seven days a week, and a lot of them don't play seven days a week.

Ms. Walsh: Exactly, and that has changed drastically because of the availability. Like I said, you're right that it is attrition and they are aging out.

McCarthy: It's what I described as a self-solving problem.

Mr. Melloh: Traditionally, that's why Private Country Clubs are having a hard time making it these days because people don't want to join a club. That's why these associate memberships work because they can pick and choose where they want to go. What's great is, they are picking here to play golf. We have several people who are members at Duran, that have become associate members so they can come over here and play and now they're playing at both places.

Ms. Walsh: You also don't have to put down \$20,000 to \$50,000 and then have to spend x amount of dollars. If I was a millionaire that would be fine but I'm not.

Ms. Thomsen: Have we heard anybody like Suntree coming over? Obviously, they need a lot of members to support those two courses.

Mr. Bedwell: I've been solicited several times and they usually do that once they get below a certain percent of membership.

Mr. Melloh: We do see some people from Suntree coming over and playing once in a while. Mostly, those folks are looking for that exclusivity of a Country Club and that type of culture. Duran is an example; a lot of their folks came over and played 9 and Dine Friday. We teed them off at 4:00 in the afternoon and there were 50 of them on Friday. They came over at 4:00 p.m. and played a scramble.

Mr. McCarthy: The other thing is that Terri and Robin have brought a lot of people from Suntree into the golf course.

Mr. Melloh: There are going to be pockets of people that come over and play, and that's what you want.

Ms. Walsh: Yes, you just want to advertise it.

Mr. Melloh: Whether it's \$40 or \$45, we're happy to have you.

Mr. Bedwell: That's a different clientele. It would've cost me \$8,000 here to play golf. But, I couldn't even have my cart. I'd have to drive a car there and park, and still would've paid \$8,000 versus \$3,000.

Mr. McCarthy: We're at 23,392 rounds compared to 2016's 18,695 rounds. We're up 4,687 rounds in five months. In terms of revenue, \$646,211 compared to 2016's \$505,405 which is an increase of \$140,806. That is a lot of money, those are very good figures, and we're 5 months into the fiscal year.

Mr. Walsh: Unfortunately, we've got some big expenses ahead. At least we've already paid off the green's restoration.

FIFTH ORDER OF BUSINESS

New Business

Mr. Melloh: I have a picture in your package. When we talk about the irrigation system, I don't know if everyone knows what this is. That is the drive that runs to the pump, and this is the decking that everything sits on. You have a lot of pipes that control pressure, when one pump was used versus the other. There is a lot of sophistication in that, so you don't get a lot of water that hammers the piping and the heads out on the golf course. Well, we have an issue. Through the years, this green decking down below is rusted out and looking like it is in pretty bad shape. Bill has been down to take a look at it, Paul has looked at it as well. We had a company called Watertronics come out and they measured and took a look at what we have there. They are going to get us a price to take all of our electronics and pumps off there and replace the decking, valves, and piping. I can't guess how much that is going to be. With Bill's help, I am going to try to find somebody that can try to restore or renovate this. Watertronics won't touch this, that's what they said. So, we need to find someone local.

Mr. Bedwell: Has this sat outside?

Mr. Melloh: It has sat outside for many years.

Mr. Walsh: We finally put a cover on it.

Mr. Melloh: Yes, and I encourage anybody that wants to see it to contact me and I will take you to see it and show you how it works. The green decking is basically suspended over a 25-foot deep wet well, where the water comes out of the irrigation from.

Ms. Walsh: That thing sat out in the open for over 20 years. About 4 or 5 years ago we finally got it covered.

Mr. Melloh: In those years, it's never seen a coat of paint or any kind of maintenance. If we go down the road a few years and decide to get a new irrigation system, this is the motor that runs it.

Ms. Thomsen: Explain to me what its basic purpose is.

Mr. Melloh: It pumps the water all over the golf course, to the sprinklers.

Ms. Thomsen: We're not talking about up pumping, for example water managing the ponds?

Mr. Melloh: It has nothing to do with that, it is strictly golf course irrigation.

Ms. Thomsen: Thank you.

Mr. Bedwell: Is this the original equipment from when they built this?

Mr. Melloh: Yes. The motors have been repaired and they are in good shape. Within the past 6 or 7 months, we had a \$7,500 expense for a drive inside. It starts the water slow, gets everything pressurized properly, it's a very sophisticated computer system.

Mr. Oakley: We also replaced part of the electrical system on the panel. We also replaced one of the major valves from one of the pump heads. There's a secondary valve on the other pump head that's probably going to need to be replaced sometime when it goes out or you could do it as a preventative. There are two smaller valves on there that probably could use to be replaced. There's also a gauge on there that is broken and needs to be replaced.

Ms. Walsh: Are you thinking on the base, someone from the marine?

Mr. Oakley: I was talking to Tim about it, we could find somebody that could do sandblasting and welding. We opened the door underneath it and looked under there and there are some supports under the main housing where the pump was, and that is what I was concerned with more than anything. I think a lot of that could be saved or revamped. I gave Tim a write-up on what I suggested they do and the type of materials they should use to add a rust preventative coating on it before they paint it. I think they can get another 5 years out of it if it is taken care of. There is, Tim pointed out, one of the big tanks underneath there that was corroding on the bottom and a couple of things like that, that this company would have to look at maintaining or replacing.

Mr. Melloh: A lot of the assessment would be if that decking started off at ½ inch thick and 25 years later it is ¼ of an inch thick.

Ms. Walsh: You're going to have to galvanize it. Everything here is zinc coated and galvanized when it comes to Florida because it rots so fast.

Mr. Melloh: What we would like to be able to do is say a new one is \$10,000 and to refurbish the old one is \$6,000. So, what do we want to do? If this was \$30,000 and the other was \$5,000 it would be different.

Mr. McCarthy: From what I hear Bill saying, it sounds like we need a commercial welding company to come in and evaluate that plate that is on the bottom. That would be the direction for you to go.

Mr. Melloh: That is what we are going to try to accomplish. To replace all this stuff would take about 4 or 5 days of us having no water at all, so we want to do that at a time where rain is likely and the heat is down so we are looking at December.

Mr. Oakley: To repair it, what you basically have to do is cover all the electrical components and pumps to do the sandblasting. Then you go ahead and do your welding after that then from there you do the prep and paint.

Mr. McCarthy: I was somewhat limited from what Tim told me regarding the number of companies who could do that type of work. Jason had mentioned that if it is not \$200,000 it doesn't require a competitive bid. Tim is going to have a lot of work to do on that but we've got time.

Mr. Melloh: Yes, this is just an update for informational purposes. At the workshop, we will talk about the golf course irrigation designer and his fee. We need to do this first and we don't want to use up all of our resources until we find out what that is.

SIXTH ORDER OF BUSINESS

Staff Reports

A. General Manager's Report

Mr. Melloh: Last thing on my list, I have a picture of a sand pro, sand rake. We need to have two of these, the reason why is when you send these out ahead of the golfers in the morning, one of them rakes all the green side bunkers and the other one rakes all the fairway. We have one that we lease, which will be 40 years old in January. The second one we own and it is

13 years old and it just gave out. The immediate repair is \$3,000. Our mechanic said he doesn't know if that will last two weeks or two months. Right now, we are down to just one sand rake. We can lease a new sand rake for \$430.63 a month for 48 months. I'm asking the Board to approve that because we desperately need to get this.

Ms. Walsh: Does the dollar pay out at the end?

Mr. Melloh: No.

Ms. Walsh: It's just a straight lease and return?

Mr. Melloh: Yes.

Mr. Oakley: What is the current lease on the one we're renting now?

Mr. Melloh: It is wrapped in a package; I'd have to go back to the documents to find out.

Mr. Oakley: Is it this amount or less?

Mr. Melloh: I don't know. This one has a hydraulic blade on the front of it, which we need to have for when you have washouts on the bunkers. The one that we are leasing now does not have that. It wouldn't be comparing apples to apples.

Mr. McCarthy: Melinda, any questions for Tim?

Ms. Thomsen: No, thank you.

Mr. McCarthy: Sounds to me like we need it. Jason, at this point we are going to vote on it, correct?

Mr. Showe: Yes, Tim and I talked about if we could get it amended to our current contract to save us the headache of going through some of the issues we've had in the past. Either way I think it is small enough that we can get it accomplished.

Mr. Oakley: Does the other lease package have a dollar buyout on it?

Mr. Showe: No.

Ms. Walsh: If we do get it amended, are we still going to have to pay the \$250 dock fees?

Mr. Melloh: If we get it amended we may not have to. It just depends on the company.

On MOTION by Walsh, seconded by Mr. Bedwell, with all in favor, the Toro Sand Pro lease agreement was approved for a monthly payment of approximately \$430 a month for 48 months.

Ms. Walsh: When do you think we'll get delivery on this?

Mr. Melloh: As soon as possible, I hope. And that is the end of my report.

SEVENTH ORDER OF BUSINESS

Treasurer’s Report - Consideration of Financial Statements

A. Approval of Check Register

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the General Fund check register in the amount of \$302,394.12 was approved.

On MOTION by Ms. Walsh, seconded by Ms. Oakley, with all in favor, the Capital Reserve Fund check register in the amount of \$440.00 was approved.

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the Golf Course Fund check register in the amount of \$97,224.59 was approved.

Ms. Walsh: The big one that I signed last week is not here, so next month will be much more exciting.

B. Balance Sheet and Income Statement

There being no comments or questions, the next item proceeded.

EIGHTH ORDER OF BUSINESS

Supervisor’s Request

Mr. McCarthy: Jo do you have anything?

Ms. Walsh: Yes, Tim you were going to look at the greens cards. The total on those?

Mr. Melloh: I did start on that, that’s going to be a little complicated. What we did with the old green cards is converted them to the new system. They are all in there with the new ones. He was just very busy last week and he had surgery so we will get that.

Ms. Walsh: That’s my only question.

Mr. McCarthy: Bill?

Mr. Oakley: I just wanted to thank Tim for following up my request and ordering the bench for south of the tunnel. People will have a nice place to sit and overlook the lake and enjoy themselves. Thank you, I appreciate it.

Mr. McCarthy: Melinda?

Ms. Thomsen: I have nothing, thank you.

Mr. Bedwell: I have a question, Jason. On the page comparing this year and last year, regarding the revenue for miscellaneous, last year it was \$14,500 and this year it is \$13,021. I don't know what miscellaneous income is.

Mr. Showe: I'll double check on that.

Mr. Bedwell: That's nice to see. The revenue went up \$160,000 and cost only went up \$60,000. That's good numbers.

Mr. Showe: I think it was a one-time thing we got.

Mr. Melloh: Was it an insurance check we got for vehicle damage?

Mr. Showe: I don't know, we will look.

Mr. McCarthy: Okay, I just have a couple things. We went over the numbers up 4,600 rounds and \$140,000. That is phenomenal and things are really going good. That is going to allow us to solve a lot of problems with different things. Thanks to Bill with the work he is doing with that commercial welding. He is an excellent resource and has a good background in that and I'm sure he'll be a big help to Tim and Scott as they go forward with this project. With the other thing Bill said when he said thank you for the bench, I was over across the street from the entrance to the golf course where they have the drop off. I noticed a couple foursomes were sitting on the curb putting their shoes on. Would it be worthwhile having a bench out there?

Mr. Melloh: I think I saw the same thing but there are two benches right there in the breezeway.

Mr. McCarthy: I just thought it was odd that I saw 8 guys sitting on the curb tying their shoes.

Mr. Melloh: We are going to put a new bag drop in. That might open up an area. We are also going to do some work in the front yard there. We're going to take some of those old Holly trees out that are aged. You're going to see something that you have never heard of planted there up front. We're really looking to dress up the front of the building there. One of the guys, Tony,

is going to build us a new bag drop and we are going to scoot it down some more so it is more practical.

Ms. Walsh: Are we going to make it longer?

Mr. Melloh: Yes. Really a dozen spots is about all that you need. They're just there temporarily so that would accommodate 3 foursomes.

Ms. Walsh: Right.

Mr. Melloh: You don't expect them to stay out there for a long time.

Mr. Oakley: I think the most I've ever seen is 3 or 4 bags.

Mr. McCarthy: Tim has read a lot of things about Walt Disney and his company and how he developed things. When I saw the 8 guys sitting on the curb what went through my mind was the Disney experience. There has got to be a better way.

Mr. Melloh: You're right. I did see the same thing or something similar.

Mr. Bedwell: You did start putting plants on the left side of seven's green?

Mr. Melloh: Yes.

Mr. Bedwell: Is that it or are there more coming?

Mr. Melloh: No, there's more. Did you see where the flags were?

Mr. Bedwell: They're going to come to the flags?

Mr. Melloh: Yes, eventually that hole is just going to be a big amphitheater. It's going to look so beautiful. Another thing we're talking about doing there is as you're standing on the tee and from the tee down the slope to the water it's a very sharp edge right there, we want to kill the Bermuda grass there and plant Lantana all along that bank there. Then, when it fills in and blooms that bright yellow will be beautiful. It would also eliminate dangerous work for the maintenance crew. For them to take a mower down the side of that is dangerous.

Ms. Walsh: It keeps carts from doing that too.

Mr. Melloh: I don't want a \$65,000 Toro motor in the lake either. If we can beautify it, reduce maintenance, and make it safer for the guys that do the maintenance we want to do it.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the meeting was adjourned at 2:34 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman