

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, March 23, 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 (in progress)
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: Through the encouragement of Tim and some of the Board Members I decided to take the challenge to run for the Board. Any encouragement, assistance, help or direction is appreciated. The main thing I wanted to mention to you is I went to yesterday's county meeting and they are going to do the sidewalks, 1,200' of sidewalk at a cost of approximately \$110,000. They had it all surveyed and it is going to be released after the drawings are done and they are looking at September. They are moving forward on the sidewalks.

Mr. Anella: Did they say how they are going to pay for it?

Mr. Oakley: They are going to relook at their budget and possibly reallocate some funds.

Mr. Anella: Any tentative date as to when they are going to start?

Mr. Oakley: By the time they get the drawings all done, the permits and bids, they said some time around September.

Mr. Bedwell: They are just going to raise the sidewalk.

Mr. Oakley: They will pour concrete right over the old concrete and use a rock base. I am not quite sure of the height. They will feather it into the tunnel.

Mr. Anella: It flooded all the way under the tunnel and up. It was a very unusual storm.

Mr. Oakley: I think they will be looking for permission from the CDD to put a couple of drainage pipes in on the south side.

Mr. Anella: That would be on the south side.

Mr. Bedwell: I saw the survey results where they put marks down.

Mr. Oakley: They had the survey elevations done and they talked about the costs. They started with 800' and said why not do the whole thing of 1,200'. It was a figure of \$80,000 versus \$110,000, and \$26,000 was for removal of the old sidewalk and we are saving that amount.

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

Mr. Anella: Thank you for the update.

THIRD ORDER OF BUSINESS

Approval of the Minutes of February 24, 2016 Meeting

Mr. Anella: We received the minutes of the February 24, 2016 meeting in the agenda packet. A motion is in order as amended.

On MOTION by Ms. Walsh, seconded by Mr. Fritsch, with all in favor, the Minutes of the February 24, 2016 Meeting was approved.
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FOURTH ORDER OF BUSINESS

Unfinished Business

A. Ratification of Controlled Burn Proposal from Old Florida Conservation Inc.

Mr. Showe: We have two ratifications of items that the Board has previously discussed and looked at. The first is the ratification of the controlled burn proposal that you wanted to move forward with.

Mr. Anella: Are we going to settle on the price and wait for when they will do the burn?

Mr. Showe: Yes. We agreed on the price.

Mr. Anella: It will probably be done in the fall.

Mr. Showe: Yes.

On MOTION by Ms. Walsh, seconded by Mr. Fritsch, with all in favor, Old Florida Conservation Inc. Control Burn Proposal in the Amount Not to Exceed \$3,775 was ratified.

B. Ratification of E-Range Driving Range Program Promotional Rate

Mr. Melloh: We are asking for ratification of the E-Range program that we talked about at the workshop. As of March 1 we have sold \$9,300 worth of range balls through this program. In our budget I don't think we have done \$9,300 in range ball sales in a year. We are \$1,800 over budget right now. People are liking this program.

Mr. Bedwell: Is the increase because of the 20%, 30% and 40% savings being offered?

Mr. Melloh: Yes. We sold 15 or 16 of the \$250 Credits for \$150, and a majority are the \$50 credits. We have sold a total of 45 range programs already. It is doing well.

Mr. McCarthy: It is an excellent result.

On MOTION by Mr. McCarthy, seconded by Mr. Bedwell, with all in favor, E-Range Driving Range Program Promotional Rates were ratified.

FIFTH ORDER OF BUSINESS

New Business

Mr. Melloh: I have provided everyone a Kids Club flyer where kids are welcomed at the area golf course, and we are trying to start a new program to attract families to our facilities. It is a PGA junior golf academy and kids clubs. For the Kids Club program we can sign up children under the age of 16, and each month we will send them a coupon for a complementary bucket of range balls. They would be non-transferable. You couldn't use February's in March. The idea is for them to come out, learn about the game of golf, bring their mother out, bring their father out, and have a family day at the golf course, to get people to play at our facility. There will be restrictions as to when they can play. The other part of the program is for the junior kids to play. It is a trend going on in the industry. There will be provisions as long as there is space available and they can't drive the golf cart unless they are accompanied by an adult. We have done this before in the summer months, but I would like to make it a permanent program here. How it will evolve is that the kids will end up doing golf camps, taking golf lessons, come out with their parents to play golf, and upgrade marketing to the community.

Ms. Walsh: You are going to do times that are available as opposed to in the afternoon or something.

Mr. Melloh: Right now, I don't think we have any juniors. Initially we will have restrictions on it and track it. We will see as we go how it plays out. I doubt we will have them wanting to play on a Saturday at 9:00 a.m. They will probably want to play around 11:00 a.m. or noon. Right now we are encouraging everyone to join our club. As far as the range balls go they can hit those at any time. We want to be more family oriented; that is the trend in the golf industry. You have to be more family oriented. The other part is the PGA and US Kids have developed a way for us to set up our golf course where it goes further than just where the red tees are. It is based on levels as to how far a child can carry the ball in the air; we can buy markers and they have specialized score cards just for the juniors. There is a gold course and a blue course and is based on how far they carry the ball. Again, it is to get more activity at the golf course. They buy merchandise, food, beverages, and they are having a good time. When little Johnny's dad comes to the Viera East golf course they can say they love our kids and we love them, and when they have a guest in town they will come out to our facilities. It is increasing our image.

Ms. Walsh: I have no problem with it. I was just curious.

Mr. Melloh: We start off with no restrictions and as we track to see how it is used we can put restrictions in place. This year it could be you can play golf any time after 10:00 a.m. We will see how it plays out. Right now since we have no juniors to speak of.

Mr. Anella: It is a potential revenue source for new customers.

Mr. Melloh: There is also a website called fun for space coast kids and anything going on for the kids is listed on this website such as where kids can eat for free, events, fairs, and they get 100,000 hits a month and about 12,000 people on an email list. They also do a camp fair, and we are going to hold five this year. We are increasing our camps because we have some time with the course being renovated. We are going to the camp fair to pass out information about our camps and if the Board approves promote the Kids Club program. I would like to see a couple of hundred kids in our program by the end of the year and hitting range balls.

Mr. Anella: Good luck. I think it is a good idea. We talked many times about going to the schools and handing out flyers which we never got to.

Mr. Bedwell: Right now we charge \$20 for the junior kids and this is free. Do we need a vote?

Mr. Showe: Yes, you can approve the change in plan.

Mr. Bedwell: I think it is an excellent program having worked in education for 32 years. I think it is a step in the right direction. The potential is unlimited. I don't see a large capital outlay in terms of money to get involved in this which is particularly attractive at our stage right now. You have come up with a very strong idea.

Mr. Showe: The timing is good because we can look at it in terms of the new rules that are coming up that we will be looking at over the next few months. This will give us time to que it up to see how it is.

Mr. Bedwell: I have been here since 2001 and unfortunately I have never seen a father out there with his son or daughter playing golf.

Mr. Fritsch: I have and it is very nice to see.

Mr. Bedwell: That is good to hear.

On MOTION by Ms. Walsh, seconded by Mr. McCarthy, with all in favor, Implementation of the Kids Club Program by the General Manager was approved.

Mr. McCarthy: Duran has what is called an executive membership and they allow juniors to join for a reduced rate; \$707 for seven days, \$500+ for five weekday program, and limited to executives who are working. Today at the price of an annual membership you have to play three times a week to justify it. Maybe we can come up with a price where it would take two times a week. They are not going to play three times a week. I don't know how you would structure it. If I was a parent and had a son who played I would go to Duran and pay the \$700.

Mr. Melloh: One of the other things we can talk about is that a lot of golf courses have junior executive type memberships where it is not for juniors, it is for people who are 35 and under.

Mr. Anella: Century has that.

Mr. Melloh: We can see if it is something that would fit here. Again, we have to move ourselves towards families and younger folks. It is on my radar as far as looking at programs for next year.

Mr. Bedwell: It would be nice if some of those people would join.

Ms. Walsh: Living here they would get the 25% discount and going to Duran may not be as cost effective.

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: Overall condition of golf course is very good; getting favorable unsolicited compliments outside of those living in the District; temporary greens are being set for the renovations beginning in May; the red dots around the greens define the areas for treatment on April 4; rounds on the golf course is 4,100 with 3,048 paid and \$113,510 for an average \$37.44 per round which is 15% ahead of budget; golf carts RFP bids are due Friday, March 25 at 5:00 p.m.; and greens renovation schedule has been posted on the website.

Restaurant Report

Mr. Melloh: Divot's Grill held a party on March 18 that was attended by 180 people. Terri put up a couple of tents to handle the crowd. She had indicated she would rather keep the count to 125 and keep it inside. She has a great head of steam and is doing very well. I did convey to Terri that it is our desire to inform the CDD residents prior to tickets going on sale for any events she may have coming up. We want our residents to be able to get notifications of when these things are going on sale so we can put it on our website, send it to Jason to put it on the CDD website, and she understands that.

Mr. Anella: Did she mention to you about shutting down one weekend in July when she goes to Vegas?

Mr. Melloh: Yes she did mention it to me the other day.

Mr. Showe: I do have an amendment to the contract the attorney will draft to present at the workshop and if the Board is amenable we can have her sign it and have it ratified at the next meeting. It is the concept we discussed. There is a certain up to dollar amount you have approved and we will reduce her rent by half until it is paid then it will revert back to the contract

price. It is just an addendum to the contract. It is a one or two pages that gets attached to her contract.

Mr. Melloh: The only other thing is what rate to charge during the renovations on the temporary greens. We can discuss it in detail during the workshop as to what rate to charge.

Mr. Anella: I think it was \$15. You can find that out. Can't you?

Mr. Showe: We can look through the records to find out what was charged.

Mr. Anella: Is there any plan for any other capital improvements? Is everything pretty well set, unless there is an emergency? I don't know what else we could do to the kitchen or the ProShop. Take a look at your list to see if there is anything else for this year under the capital expenditures.

Mr. Melloh: We will have to look at the golf maintenance equipment. They are on a lease much like the golf carts. I have a file on all the maintenance equipment we have. We are getting some quotes. We would like to get at least two more greens mowers once we start mowing our typical greens. We are getting close to the end of the lease on those.

Mr. Anella: This fiscal year?

Mr. Melloh: The leases end in January and they are turnovers. The quotes are ridiculously expensive so we are going to look at some John Deere or equivalent to so we can get some prices.

Mr. Anella: We need that information for when we do the budget for next fiscal year.

Ms. Walsh: Are the reels separate where we can't change out the equipment?

Mr. Melloh: The reels go with the mowers; we never did get the grooming reels. We would spec that out with the new equipment. The prices are very expensive. I am working on that in preparation of the budget. Those are things we are looking at. This year the number one thing on the wish list would be on the bunkers. We will have to wait to see how we are doing with the contingency money to keep \$200,000 in the coffers and be able to say we are doing well and talk about spending \$30,000 on bunker renovations.

Mr. Bedwell: Which mowers are you talking about?

Mr. Melloh: The Triflex mowers, the ones you see out there every day mowing the greens. They have three reels. It is a sophisticated equipment that mows the grass down to under 1/8".

Mr. Bedwell: We had talked about a hand mower for #7. That may be something we have to purchase.

Ms. Walsh: I know I have turned in a lease vehicle for mowing, and if we are in the process of the lease maybe we can turn it in now as long as there is not a big penalty.

Mr. Showe: As long as you stick with the same company they probably won't penalize us.

Ms. Walsh: Exactly. We can turn it in and get something to replace it.

Mr. Melloh: The idea is we may be able to take the mowers we have and use them over the next three months because one of the things is it is important to have the grooming reels with this type of grass, but not so much for the first two or three months. We may be able to move into a new lease, but it would be nice to have them on opening day.

Ms. Walsh: I would hate to cut off our nose to spite our face, but if it is something that we need.

Mr. Melloh: We are not in dire straits. We may change our proposal.

Mr. Bedwell: I noticed over at Duran all the mowers were Jacobsons. I don't know if it is because they are cheaper.

Mr. Melloh: You have Toro, John Deere then Jacobson as far as leases.

Mr. Bedwell: It is my feeling with the new greens going in, this has been a monumental undertaking and that we should have the appropriate equipment to cut it. I know there are economic ramifications, but I would hate to see us have a problem with these greens. I would support doing what we have to.

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 March 15, 2016 Check Register in the Amount of \$168,550.99 for General Fund was approved.

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the March 15, 2016 Check Register in the Amount of \$524,332.73 for the Golf Course Fund were approved.

Mr. Fritsch: I would also comment that \$477,900 of that is for the golf course bonds.

Mr. Bedwell: When we get the assessment money, why do we put it in golf course recreation and then turn around and have Bob sign a check to move it from recreation to the bond account? Why can't it go straight in there when the assessment money comes in?

Mr. Anella: It has something to do with the county transmitting it to us.

Mr. White: All the assessment money goes into the general fund and we write checks to put the debt service share into its account for payments.

Mr. Bedwell: It sounds like a silly step. They don't send you a check. It is direct deposit.

Mr. Showe: The challenge we have with every tax collector is they will only transfer to one account. You can't give them multiple accounts.

Mr. Bedwell: So you have to break it out between the accounts.

Mr. Anella: How are we doing with the assessments?

Mr. Showe: We are 98% collected. It is roughly the same as last year. There are some folks who decide not to pay until March 31 so you will get a chunk later, and then any tax certificates that are sold.

B. Balance Sheet and Income Statements

Mr. Showe: The balance sheet and income statement as of February 29, 2016 were provided. No action is needed, but we can answer any questions you may have for us.

Mr. Anella: In the finance statements, it is good news, we are back in the black and we have a good month coming up. I have a couple of questions. Supplies and repairs are still moving very aggressively. I know the repairs are legit. What about the salaries on the golf maintenance fund. We are \$17,000 to the good on salaries. Look at the workers compensation. Is that a miscalculation?

Mr. Showe: That is figured on historical information and some payments may have been made in the past that are reflected now.

Mr. Anella: We are \$9,700 to the good as far as budgeting. We are \$17,000 to the good on salaries.

Mr. Melloh: We have the same amount every single month for salaries, but we are in a part of the season where we are not as busy as we will be so we will bring another person on Board come next month, and then there will be question as to whether we will need to do that.

Mr. Anella: The compensation is a little weird.

Mr. Showe: It looks like it is insurance and not compensation. There may have been a position where someone may have elected not to take coverage. In the past we looked at how many people had insurance currently so if folks aren't taking it there is a surplus.

Mr. Anella: Nothing wrong with that.

Mr. Melloh: On the repairs, we have ageing equipment and we have had catastrophic breakdowns with the equipment, and one with a hose that normally does not blow out.

Mr. Anella: On the supplies as well.

Mr. Melloh: The operating supplies including range baskets, flags for the golf course and things like that.

Mr. Anella: Despite that we are under our budget. You have beautified the golf course and added all the grass and white pebbles. It looks good along the road. I have one more question. Looking at golf maintenance, in your comparison from 2015 to 2016, you are close on the numbers, I just could not figure out where the \$7,669 comes from.

Mr. Fritsch: When you look at the P&L it includes the restaurant. We still have expenses in the restaurant. It would be nice if that was the real number.

Mr. Anella: Anybody else have questions on the finances?

Mr. Bedwell: Page 3, under canal maintenance we spent \$5,551 for half a year and we only budgeted \$5,000 this year. Last year we had a budget of \$7,500 and the actual was \$6,600. I don't remember why we budgeted \$5,000.

Mr. Showe: I think that line has been so inconsistent based on when they bill, how they bill and the amounts we have a hard time projecting that line item out. We will have another historical year to look at when we do the budget again.

Mr. Bedwell: We have only paid for half a year, now if they bill us again before the end of the year we will be way over.

Mr. McCarthy: Do we have a contract with them?

Mr. Showe: We have an agreement. They charge us for what the expenses are.

Mr. McCarthy: So we don't know what the expenses are.

Mr. Bedwell: We went through this in detail six or seven times with the bills. We paid an engineer. I would not be a bit surprised with everything that is going on out there that they are not causing themselves damage. We only paid 10% of the expenses. The way it is set up whatever they do to the sides is what we are going to do, and whatever was done helped us.

Mr. Anella: We do get a spreadsheet with the bill.

Mr. Showe: Yes.

Mr. Bedwell: We pay 10% of the expenses and they send us an invoice.

Mr. Anella: Usually it is up and down within a certain amount.

Mr. Showe: Some years it is as low as \$2,000 and some years as high as \$6,000. We have trouble projecting what that line is going to be. When we did this budget the direction was to lean those items out as much as we could. We will take another look at it when we do the budget.

Mr. Anella: One time it was pretty substantial.

Mr. Showe: One year it was \$15,000, then \$10,000, then the bills came in really low, and we lowered it again.

Mr. Anella: Can you fill the Board in with your meeting with Mary Ann with the Viera Company?

Mr. Melloh: During my time here I have heard her name quite a bit. I know George and Jason have both spoken to her so I went to meet her. We had a 40 minute meeting. I wanted to familiarize myself with the area, what their responsibilities are and what ours are. She is a very nice lady. She gave me a lot of background information. I would feel more comfortable with her now talking about the canal maintenance and other items. In talking with her about the entire area we should feel comfortable with the direction our golf course is going in and its ability to continue to grow because they are building left and right. They have 30 years left of growth with 16,000 more homes. I asked her if they had another golf course planned, she said no, we have all the golf courses that we need. She did say that in 20 years they could make a decision to build another one, but right now they have all they need in Duran according to her. That is good for us because as more and more families and more folks move into the area and golf is starting to rebound especially in the family sector, not everyone likes Duran and not everyone wants to pay Duran's prices. I think they are set up really well on a going forward basis. With the places being built and jobs in town more people are making good money coming here and we are not the lowest on the totem pole; we are not Duran or Suntree that charge the high prices. We are good right in the middle where people enjoy our golf course. They love to play our golf course.

Mr. McCarthy: When you talk to her again, I know they did a demographic study and you can find out if they are going to do communities with clubhouses that might attract retirees. That will help us. I think most of it over there is working families.

Mr. Melloh: It is very mixed over there. I have a map on my door.

Mr. McCarthy: They have to be targeting someone.

Mr. Melloh: They are targeting everybody because they are building next to Summer Lake which are multimillion dollar homes, and then you go to the other side where Quest Elementary is and those are going to be starting at \$200,000 towards the younger families that are starting off, and all points in between. They are targeting everybody. They are putting in a lot of parks and green spaces and that is where a lot of the developers are investing their money instead of golf courses because it is better use of their money.

Ms. Walsh: The Avenues of Viera are in the plus \$200,000 and it looks like adjacent to that they will have leasing so it is all over the map. It will probably be for people working locally for a couple of years and then moving back out.

Mr. Melloh: It was a good meeting and is a good contact to have. If anything comes up she assured me that she would contact me.

Ms. Walsh: Do you get a sense of when they will turning that part of Viera over to the homeowners?

Mr. Anella: They are in the process with Heritage Isles. They have been over to our place a couple of times for help.

Ms. Bedwell: A certain amount of homes has to be sold before that happens.

Ms. Walsh: I was just wondering if they had gotten there yet.

Mr. Melloh: We talked a little bit about roadways and it is good for us because it will be easier for people to get to us off the interstate.

EIGHTH ORDER OF BUSINESS

Supervisors Requests

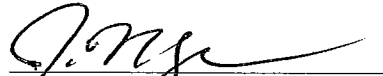
There not being any, the next item followed.


NINTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the meeting was adjourned at 3:03 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman