

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, June 28, 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 May 24, 2017 Meeting**

Mr. McCarthy: Are there any additions, deletions, or comments on the minutes? I understand that we have some amendments.

Mr. Showe: We have some amendments to the names. I think Ms. Thomsen and Ms. Walsh had some. Other than that, they are minor and some clarification changes. If the Board is amenable, you can approve the minutes with those corrections.

On MOTION by Ms. Thomsen, seconded by Mr. Bedwell, with all in favor, the minutes of the May 24, 2017 meeting were approved as amended.

**FOURTH ORDER OF BUSINESS**

**Unfinished Business**

There being none, the next item followed.

**FIFTH ORDER OF BUSINESS**

**New Business**

**A. Consideration of Revised Resolution 2017-05 Providing the General Manager with Discretionary Spending Authority Under Limited Conditions**

Mr. McCarthy: The first item is regarding the addition of \$10,000 for the General Manager to spend on service providers. Jason would you please clarify?

Mr. Showe: Sure. On Page 2, I included a strikethrough version, so you could see the changes. Under E, it should say, "*Chairman, Vice Chairman and other Board Members*", so it includes everyone. We added a clause at the bottom that says, "*Any response from a member of the Board of Supervisors in opposition to purchase will result in item not being approved, and can be considered by the Board at the next available meeting of the Board of Supervisors.*" I think that clarifies the intent of what the Board determined.

Mr. McCarthy: Are there any questions? If not, we need a motion to approve.

Mr. Showe: This is a revised resolution and will be taken as a scrivener's error. We will replace the original resolution with this one.

On MOTION by Mr. Oakley, seconded by Ms. Thomsen, with all in favor, Revised Resolution 2017-05 Providing the General Manager with Discretionary Spending Authority Under Limited Conditions, was adopted.

**B. Ratification of Master Lease Agreement with Yamaha Motor Finance Corporation for Utility Carts**

Mr. McCarthy: We have two items to vote on. The first is the Yamaha Motor Finance Corporation Agreement. I believe it is \$97 for 48 months. We need a motion.

On MOTION by Mr. Bedwell, seconded by Mr. Oakley, with all in favor, the Master Lease Agreement with Yamaha Motor Finance Corporation for Utility Carts, was approved.

Mr. McCarthy: We discussed the sprinkler heads. The proposal is from FIS Corporation for \$4,236.26 for 18 sprinkler heads. We need a motion to approve.

On MOTION by Mr. Oakley, seconded by Mr. Bedwell, with all in favor, the FIS Corporation proposal for 18 sprinkler heads, in the amount of \$4,236.26, was approved.

*The record will reflect that Ms. Walsh joined the meeting.*

**C. Fiscal Year 2018 Budget Workshop – Golf Course Fund**

Mr. Melloh: In the Capital Reserve Fund, I would like to include a line item under expenditures for \$125,000 for golf course improvements. We will move that out of operations and into the Reserve Fund. That will be whatever we choose for next year, if we have the funds. Based on the projections, we proposed \$391,000 for \$125,000 in upgrades, leaving us with \$266,000. This is on Page 11.

Mr. Showe: It includes the actuals through May, which is part of your financials.

Mr. Bedwell: Does it include the amount for general golf?

Mr. Showe: Correct. It could be more. We have \$50,000 in the Operations Budget for improvements.

Mr. Melloh: That's for this year.

Mr. Bedwell: If we don't spend the money, it will be transferred at the end of the year in the Reserve Fund and we would have \$50,000 more.

Mr. Melloh: We are spending that out of reserves. That's a good way to go.

Mr. Bedwell: At the end of September 30, we will have enough to spend \$100,000 next year in June, July and August.

Ms. Thomsen: Will all of the \$50,000 be spent?

Mr. Melloh: Yes. There is actually going to \$64,000 to do the two bunkers and adding other tees.

Ms. Thomsen: Thanks!

Mr. Melloh: We will either take \$14,000 out of reserves or take it out of operations.

Mr. Showe: You have \$50,000 in operations, which can be used.

Mr. Melloh: We may have some other amendments to that, because there might be a few items. I would like to take care of that without too much disruption because that finger causes people a lot of problems when they are getting out of #5, so that might be adjusted. We will certainly keep everyone abreast.

Mr. Bedwell: A lot of people will be happy about that.

Mr. Melloh: We want to make the golf course nice for everybody. As far as the adjustments to the Golf Course Budget, on Page 14, we came up with a "Greens Fee" projection of \$1,296,290. How I arrived at that was we haven't had a rate increase in the last two years. We made a lot of improvements to the golf course. The golf course is becoming very popular; therefore, I am proposing a rate increase of \$2.50 across the board for public fees, a \$2.00 increase for associate members and a \$1.99 increase for CDD residents. I don't think that we are going to lose any rounds of golf because that fee is increased. We provided a lot of product out there and haven't had a rate increase in two years. It still keeps our overall rate on the weekend. The highest rate that we have is in January. The April rate was \$59.50.

Mr. McCarthy: How does that new proposed rate increase compare with what Duran was last year?

Mr. Melloh: Duran was over \$80.00 last year.

Mr. McCarthy: So we are still considerably less.

Mr. Melloh: We looked at ourselves as being right in the middle. We are probably equal with what Baytree does and we are definitely higher than Turtle Creek, but that is a value golf course and they are always going to charge the least in the area. We are way under Duran. We are a quality comparable golf course to them, which I think is a big advantage.

Ms. Walsh: For a couple of years, we haven't had a green incident. There have been times where we suffered this heartburn before, where we had not raised rates due to not having optimal conditions. If anyone complains, I would be amazed, because, at this point, there's nothing to gripe about. There were situations that came up before, that caused us not to raise our rates. Like you said, it's not more than \$60.

Mr. Melloh: We are in a good spot. I feel as though our prices would be very competitive. For membership fees, we have gold and platinum memberships. We haven't increased those fees in two years. I propose to increase the single rate to \$100 and \$150 for the

family rate. We have 60 members. At the next meeting, I will give you a better breakdown. Does that sound reasonable?

Ms. Walsh: Yes. We still have a 100 person cap, correct?

Mr. Melloh: Yes.

Ms. Walsh: However that fills out, we still have that 100 person cap. Will that be sustainable?

Mr. Melloh: Yes. As far as the rate increase, some people are paying \$75 per person for a family and \$100 a single. Most people play quite a bit of golf. I anticipate a \$.50 per round increase.

Ms. Thomsen: They do it all upfront, and I think some people felt pressured to give that back, because it sounds like so much money. I think some people are concerned and would go to another golf course, because that's a lot of money. I haven't been able to pay that in a long time, because I don't pay enough to warrant it. In heat like this, people have secondary thoughts. They are certainly happy to stay at the same rate because of how they want to support the golf course. I just wanted to say that's a lot of money upfront. You have a payment system now, right?

Mr. Melloh: We do have that. The golf and platinum membership is a way to save you money and make all the members equal. Some pay a lot more and some pay a lot less, but the average price is \$23 per round of golf. We had a lot of CDD residents that used to be members. They have their private cart so they come out and pay the CDD rate. We have 140 registered private golf carts, but only 55 of them are gold and platinum members. The rest of them pay as they go. It's what works out best.

Mr. Bedwell: I probably should recuse myself since I'm an annual member. This small amount of money doesn't have any significant impact on the financial results. Is it worth it?

Mr. Melloh: Yes, to generate another \$7,500 worth of revenue.

Ms. Thomsen: Some people love the full membership and the freedom to come and go and be part of something; however, they are getting older, and at some point, they are going to have a question about the price of the membership.

Mr. McCarthy: We should discuss this at the next workshop.

Mr. Showe: The next workshop is dedicated to finishing up the Golf Course Budget and discuss the rules and regulations.

Mr. McCarthy: Everyone is going to have different opinions.

Mr. Bedwell: I don't think that I should even vote. Are you an annual member, Jo?

Ms. Walsh: I used to be.

Mr. McCarthy: He's just making us aware of what he's thinking and doing.

Mr. Melloh: Melinda is right. If we enact this and all 60 members rejoin, we are probably going to collect around \$7,500. If two members drop out, all of our games have been negated. It may be the best thing to keep a flat rate. We will talk about it at the next meeting.

Mr. McCarthy: We just can't get money from the public.

Ms. Walsh: Basically its value for play, so if you play a round, it's still a round.

Mr. Melloh: The other side of it is, we would like to go up to that maximum of 100, so keeping the price the same, may get some more people to join. We have some new people who joined.

Ms. Walsh: We need to keep the ones that we have.

Mr. Melloh: If we increase the daily rates, it may be more palatable for people to join.

Mr. Showe: That might be an incentive to go the other way.

Mr. McCarthy: I remember David saying, "why would you raise the rates when you are trying to get members." I may be paraphrasing.

Mr. Bedwell: That's correct.

Mr. Melloh: I just wanted to include that on the agenda for discussion.

Mr. Bedwell: Before I joined the Board, they kept raising the annual membership every year and the number of members was decreasing.

Mr. Oakley: Not to continue the discussion, but if increase the associate rate to \$2 what would that be, \$81?

Mr. Melloh: No, that's the daily rate. We will keep the \$79 rate the same. This is the per round rate with a 20% discount. Remember, the associate member receives a 20% discount off of the public rates, and we are proposing a \$2 increase. The CDD resident receives a 25% discount and we are proposing a \$1 decrease. On the rate sheet, you will see what we are presenting. The associate rate is increasing by \$2 from last year. Last year's rate was \$36, and now they are paying \$38, but the actual overall membership is \$79. I don't want to adjust the other memberships because we sold about 450 memberships.

Mr. Bedwell: We have a good quality product. I looked at these prices. It is a good deal to become an associate member.

Mr. Melloh: Yes, it is. We have no reason to be ashamed of our rates, even with the rate increase. We are proposing a nominal increase in rounds of golf. I feel like we can generate a lot more rounds. I'm only projecting 500 to 600 rounds more. The paid rounds are projected at 37,250 rounds. This year, it looks like we are going to end up with 36,891 rounds. We already have 30,209 in the books. If we do better in the next few months, we will be at 36,891. The revenue is \$1,291,290. This year, we already have \$188,598 in the books. If we budget for July, August and September, that puts us at \$1,206,000. This is only an increase of about \$85,000. It is very doable. Everything else is a function off of this.

Ms. Walsh: When we have a rate increase, we do something with that money. You've seen the improvements. We are not asking for money, just to ask for money. We are asking for money to improve your experience here.

Mr. Melloh: Exactly.

Ms. Walsh: We have a lot of different structured plans on ways to play on our golf course, so everyone can get what they need. The bottom line is that we use that money to benefit their experience.

Ms. Thomsen: There are a lot of examples of that.

Mr. Melloh: The more that we enhance the play experience, the more desirable the golf course becomes, and the higher the rounds. I think that message needs to be told a lot more, because a lot of golf courses are run for a profit for some major corporations. That's not what this is. The truth of the matter is, could we do 40,000 paid rounds of golf? Absolutely. If we did another 3,000 paid rounds of golf, there would probably be another \$100,000 of profit that we could put back into the golf course. I would like to be conservative on this to have steady growth, because you never know what the weather may bring. With the reputation that we have, we get 40,000 paid rounds. This year alone, we are doing close to 55,000 total rounds of golf, including the members.

Ms. Walsh: I believe that we need to get the message out, so residents know what we have done with their money, so far, and what they want to see with their money now. If they are going to give us extra money, we are going to make it worth their while.

Mr. Melloh: Right. Moving to the general expenditures, the first item is “Salaries & Wages.” We have three key managers that are vital to our operation; Scott Eberly, our Golf Course Superintendent, Lane Burney, our Head Golf Professional and Wes Boris, our Assistant Golf Course Superintendent. Those guys are key to what we do out there, and the key to making money. I always thought that their compensation was on the low side. I can’t speak highly enough about them and what they mean to our operation. To replace them, we would never get anyone of their quality at the price that we were paying them. I prepared a compensation survey. Through the PGA of America, for a Head Golf Professional who is an apprentice, not a qualified member of the PGA, which is what Lane is, the median income is \$42,400. He is working towards his classification. The top 45% of that position is in the \$50,000 range. I am proposing moving Lane up to \$40,000, from his current salary of \$33,183. For your Golf Course Superintendent, the Golf Course Association of America, sent me their compensation survey, and nationally, the average is \$89,189. The average in the State of Florida is \$100,079. For Scott, I’m proposing to increase his salary to \$80,000, from his current salary of \$73,096. Wes gets everything completed. The average in Florida for his salary is \$44,000. I propose that we increase his salary to \$40,000, from his current rate of \$32,781. For the balance of the employees, as we discussed before, I propose a standard across the board increase of 3%. This is a one-time adjustment on their pay. Those three increases and the 3% increase for all employees, is an increase of \$35,741. Being that the employees are your greatest asset, I think that’s an investment in our asset.

Mr. McCarthy: I have a couple of questions. For the other two gentlemen, you have the average Florida rate. What is the average Florida rate for the Head Golf Professional?

Mr. Melloh: The PGA was not able to give me one for an apprentice.

Mr. McCarthy: What is your general feeling?

Mr. Melloh: Probably higher. If you notice, the salaries for both Golf Course Superintendents were higher than the national. In Florida, it tends to be higher.

Ms. Walsh: Probably because they work 12 months out of the year.

Ms. Thomsen: That’s true.

Mr. McCarthy: How about the CDD employees. Is that in a different section?

Mr. Melloh: Yes. We talked about that last time. Their salary increase is 3%.

Mr. McCarthy: Is Ed receiving what he should be?



Mr. Melloh: Yes. I might add, it's not reflected here, but I wanted to point out that this is the base salary. A lot of Golf Course Superintendents and Head Golf Professionals earn facility bonuses based on certain benchmarks. They will also receive commissions. In the case of Lane, they receive commissions for merchandise sales, which we cannot do. This would be his overall compensation package.

Ms. Thomsen: Is that because we are a government?

Mr. Bedwell: Yes. We can't give bonuses.

Ms. Walsh: Bonuses are one thing, but incentives are another.

Mr. Showe: I think the challenge is we are a Governmental entity, and to give bonuses, you have to set up a policy. You can't selectively decide who's eligible and who's not. You have to open it to everybody so it makes it a challenge.

Ms. Walsh: That's what I was thinking.

Mr. Bedwell: Is there any way that you can pay commission on products sold in the golf shop?

Mr. Showe: I think because you are selling, you would be giving a commission of Governmental dollars, some of which is collected from assessments. I would caution against that. You are paying them with money that comes in through assessments that are collected from every resident and they may have an issue with that.

Mr. McCarthy: If you didn't have an assessment for all of the homeowners, you probably wouldn't have a problem with it, but you have an assessment for people that have nothing to do with golf, and they would ask why we are paying someone a percentage of sales. Their feeling is that they are paying assessments to run that golf course.

Ms. Thomsen: I hope this would solidify them to stay. If we didn't do it, they could leave.

Mr. Showe: We already incorporated these figures into your budget.

Mr. Melloh: This works within what we have in the budget.

Mr. McCarthy: Would this be effective on January 1?

Mr. Melloh: Typically it has. My feeling is that I don't know why we do it January 1, when the budget starts on October 1.

Mr. Showe: Historically, the challenge that we had, initially, was that we didn't have cash flow until January 1, so we were waiting for the assessments to come in, in order to fund the

golf operations, which doesn't come in until January, so we timed it around that. We build the budget with those full salaries, starting October 1.

Ms. Walsh: That would be fine with me, with the tax rolls, and the way that the money was structured, how we paid out the bonds and received money for memberships.

Ms. Thomsen: Me too.

Mr. McCarthy: Let me make an observation here. Prior Boards had a policy of not discussing CDD employee salaries and I think if we are asked what Tim Melloh was making, we are required to tell him what they are making. I think we have to be aware of that. I spoke to Tim this morning regarding October 1 and I'm glad to hear that if the Board decides to go ahead with this, we can talk about maybe doing it effective October 1.

Mr. Showe: The last time salary increase was January 1, so if you started October 1, you have a three month overlap.

Mr. Bedwell: Would this be available on the website?

Mr. Melloh: Yes.

Mr. Bedwell: If people say anything about the CDD salary increases, I would remind them that we are going to increase the 2016 revenue from \$337,000, so I think they paid for the \$35,000 increase. Next year, we are talking about a \$535,000 increase.

Mr. Showe: Tim has done the due diligence.

Mr. Melloh: I just want to point out that I don't have any feeling at all, that these guys are unhappy or looking to leave us. They love what they do. However, what concerns me, being in the business for a long time is, whenever you have a golf course that all of a sudden starts to do well, other golf courses want your superintendent. That is my fear.

Mr. Bedwell: If you can get this information about what they should be paid, these three employees could look up and see what they should be paid.

Mr. Showe: I'm sure they are aware of it.

Mr. Bedwell: Do you think this will fix it?

Mr. Melloh: I think this would be very fair. I think these guys would be very excited about that. They absolutely love what they do, love working here and for the District. This isn't about if we don't do this, they are going to leave us.

Ms. Walsh: It's a prophylactic measure in case people come knocking at their door with an incentive.

Ms. Thomsen: They have families and we should not ignore them. We are all part of a family now. It's not that we need to go out and buy their love, but on the other hand, we need to be fair.

Mr. Melloh: If we had to replace one of them, we would not find that quality for the price that we were paying before, so why not pay the price that we need to pay to the person who is already doing a fantastic job.

Ms. Thomsen: Doing it at the end of such a positive year of hard work, is the time to do it and not ahead of time.

Mr. Oakley: Are these increases on base salary and we never had any problem to change the law? Something was proposed recently where we were considering putting Lane on an hourly basis.

Mr. Melloh: Yes. As soon as the election was held, that came off of the books.

Mr. Oakley: So that's what their salary would be and we don't have to worry about hours worked?

Mr. Melloh: Right. As soon as that election was held, they scraped that policy.

Mr. Bedwell: Are you going to change the line items?

Mr. Melloh: Yes. We always separated out the pro shop expenditures, cart facilities, Marshall expenditures, etc. I've never seen it done that way in all my years in the golf industry. Those were all consolidated under "Golf Operation Expenses." In working for two-and-a-half years here, I don't know why it was separated out. It would just make things cleaner for all of us.

Mr. Bedwell: It makes it clearer that Lane is in charge of golf. I didn't know that he was in charge of the cart barn and starters.

Mr. Showe: Tim and I talked about it, and for historical purposes, as we were going through the budget workshop, we wanted to keep it the way it was. For your final budget, we will consolidate all of those and roll it into one line item for the final. As you look at it, it makes it easier, historically, to look at all of them separately. There was movement a while ago with different management, that everything was separated out and individualized and additional categories were created. Accounting wise, we are definitely in favor of consolidating as much as possible. It makes things a lot easier.

Mr. Melloh: For "General Expenditures," there's nothing different than what's already there. The same thing with the "Pro Shop Expenditures." I want to increase "Cart Facility Expenditures" to \$10,000, in order to improve the driving range. The projection is \$6,200. With "Starters and Marshalls," there is nothing new. There were changes in "Golf Course Maintenance."

Mr. Showe: "Irrigation" would increase to \$34,000, "Office Supplies" would decrease to \$500 and "Operating Supplies" would increase to \$18,000, which would absorb the reduction from "Office Supplies."

Mr. Melloh: We had too much money in "Office Supplies," so we transferred it into "Operating Supplies." Regarding "Irrigation and drainage," we want to continue to upgrade as much as we can. "Chemicals and Fertilizer" were budgeted at \$120,000, because we need those items to make the golf course work. The same with "Sod," which we are budgeting at \$14,000, so we can continue to overseed. The experiment from last year was received positively. They enjoyed having the rye grass around the slopes and greens, as it made it easier for players to chip the ball, it looks good aesthetically and keeps the ball from flowing down the slope. We are going to expand those areas and make the golf course look good. Probably the largest expenditure is "Equipment Lease." We need \$148,000 for the current lease, for two fairway units, spray rig, two mowers, a sidewinder that could mow the top of bunkers, and a second sand pro. The lease was due in January. The prior lease was a lot less expensive, about half of the amount, because either the leasing company demanded it, or we decided to put down a large down payment to keep the price low. I don't see a need for us to deplete our reserve funds and pay the lease off. Under my report, I have the Wesco lease proposal for that equipment. The \$148,000 is for 25 pieces of golf course maintenance equipment. Does anyone have any questions?

Ms. Walsh: Are we going to retain the current equipment with a buyout?

Mr. Melloh: No, it's going back to the company. In most cases, it would be more money and you don't want used equipment anyway.

Ms. Thomsen: You want a new lease, get rid of the equipment and don't extend the current lease, so we don't have concerns with maintenance and upkeep.

Mr. Melloh: It's like a mower that you have in your garage that you only use once a week. This equipment is used every day and we get a lot of hours on them. That's my proposal

for the budget. If it all works out, like Jason said, everything that we discussed is in the budget. With the projected revenue and projected expenditures, it comes to a zero balance. We hope to generate more rounds of golf and be able to produce a lot more revenue, which could be used to provide better service and improve the golf course. The improvements that we are going to make this summer are going to be nice, with the lowering of tee boxes and two bunkers. We might be able to squeeze a third bunker in there.

Mr. Bedwell: I'm glad to see us budgeting \$1,000,000 on golf course maintenance. Several years ago, we were down to \$700,000 and had no chance of having a good golf course.

Mr. McCarthy: You get what you pay for.

Ms. Walsh: Some of the things that were available to us then, are no longer available. In addition, the current chemicals that we use are more expensive and less effective.

Mr. Melloh: We have another meeting to discuss this further.

Mr. Showe: We will make all of the changes that Tim noted, and we will provide a final copy at the next workshop and discuss it.

Mr. Oakley: I would like to see the cost of having the raises effective from October 1.

Mr. Showe: I don't know if there would be any cost to the District. We factored the salaries in your budget.

Mr. Melloh: I would like to start on October 1. If we waited until January, we probably would have saved some labor, but we don't have to add more money to the budget and it's all annualized.

Mr. Bedwell: Regarding the revenues, what is "Special Assessment?"

Mr. Showe: There is a portion of assessments that we included in operations, a portion that goes to the bonds and a small portion that we put in operations to help fund the golf course. It all washes out in the end.

Mr. Bedwell: Why does it drop from \$42,216, to \$22,000?

Mr. Showe: I think that was what was required in that particular year to close that gap, but I will double check.

## **SIXTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. General Manager's Report**

Mr. Melloh: CDD operations are proceeding as planned. When I say that, it means that they are spraying and performing normal field operations. Ed was on vacation last week. Mr. Oakley requested a tour and I will schedule one for the Board Members. I distributed the Environmental Report from the Consultant, which we will discuss at the July 12 workshop. There is nothing new under the Golf Course Manager's Report. The golf course is recovering nicely from the drought. Our next aerifications are on July 17 and 18 and September 11 and 12. I know that people are frustrated, but that's how you keep these greens growing. It produces a lot of organic material, which has to be removed. If it's not removed, the greens get spongy and start to decline rapidly. It's all part of the process.

Mr. Bedwell: We have to do this, so the greens are great during snowbird season when we make the money and invest in the golf course.

Mr. Melloh: We do it in such a manner, where it's not cut that bad. Everyone thinks that the greens were overseeded.

Mr. Bedwell: They recover faster.

Mr. Melloh: The next two will recover faster than the last one. The first one you do, the full growing season hasn't arrived yet, so these will be even better. We are calculating the rounds of revenue for June. You were looking at the overall budget, but there was a breakdown for June, July and August, which was a percentage of the overall total. June July and August are hard to project. In June, we are looking at revenue of \$91,846. The most we've ever made, in the last 10 years is \$72,000. Right now, we are at \$64,000, and it looks like we will be close to \$70,000. This will be the second-best June in the last 10 years, even with all of the rain. We are doing well, but when you look at the budget, it looks bad. For the budget, we are asking for more money in February, March and April, and less in June, July and August, so next year, it doesn't look like we are asking for so much. I think we are doing well. The problem with the rain is that it starts to rain at 11:30 a.m. This year you want it to rain at 5:00 p.m. or 6:00 p.m. A lot of people get their entire date washed out.

Ms. Walsh: When you look at the total rounds so far, the budgeted rounds were not far off, all things considered; however, the rainchecks are a different ballgame.

Mr. Melloh: Lane and I initiated some program. We just started the "Moonlight Special." I think a few of you received emails on that. That has been received well. We have some special rates for CDD residents and associate members on Saturday and Sunday. As we

get more data, I will bring you some reports on how those are doing for us. That's all new money. Does anyone have any further comments?

Mr. Bedwell: The key is what you are averaging by round and the total rounds, see what you come up with and make adjustments for the increases.

Mr. Melloh: That's pretty much what we are doing. Regarding the kids trespassing on the golf course, thanks to John Gates for sending out the emails and pictures, the community banded together and we were able to identify these kids, where they lived and their email address. I spoke with the kid's mother. She apologized and said that she was taking care of the situation. I feel that the situation is being taken care of. Right now, I have not received any further reports. I made it clear to her that this is a situation that has to be resolved, but I wanted to give them the chance to resolve it before we involve law enforcement.

Mr. Bedwell: I think you did the right thing. I think she just assumed that she wasn't doing anything wrong.

Mr. Melloh: She was not in the golf cart. It was another woman. I provided a proposed lease from Wesco Turf for the equipment that was included in the budget. I reviewed it and we can discuss it further at the workshop. Hopefully we can vote on it at the July meeting, so we can order the equipment. We get State contract pricing, so we should not have to go out for an RFP; although, we will have to engage District Counsel to review the contract.

Mr. Showe: I'm going to see if there's a way to add this as an addendum to the existing lease.

Mr. Bedwell: What is this Toro Reelmaster® that costs \$60,000 and what is it used for? I see the Greenmasters®, which are used to mow the green.

Mr. Melloh: Those are the big mowers to mow the fairways. They are the biggest and most expensive pieces that we have. We are also going hybrid with those. We have hybrid greens mowers and now we are going to have hybrid fairway mowers. The hybrids have electric driven mowers, instead of hydraulic fluid that runs through the lines of driving mowers. They are quieter, save on fuel, but they also give you a better cut and are environmentally friendly. From time-to-time, you will see a big brown streak where the hydraulic mowers have blown. The hybrid mowers do not have hydraulic mowers. They are all driven electronically.

Mr. Oakley: The lift is still hydraulic, though, right?

Mr. Melloh: I think the lift is hydraulic. Those tend to be fairly expensive.

Ms. Thomsen: In the golf course community, that's probably the way that everything is going to go, especially down here where everything is environmental.

Mr. Melloh: Our Toro representative says that they don't even sell the other motors anymore. Nobody buys them. This works out well for us. We will discuss that at the next meeting, and then hopefully, you will give us the approval for the contract.

Mr. McCarthy: What's the term of the lease?

Mr. Melloh: It's a four-year lease.

Mr. Bedwell: We had a problem getting the equipment last time.

Mr. Melloh: That's why we want to get it going. Jason has some ideas.

Mr. Bedwell: Did we already vote on that?

Mr. Melloh: No, but you will be voting. I just wanted to bring that to the Board because we just received it and its part of the budget process.

Mr. Bedwell: Is a month from now okay to wait to approve this?

Mr. Melloh: Yes. We have plenty of time. If we are able to vote on it by July 26, then we still have plenty of time.

Mr. McCarthy: When is our current lease up?

Mr. Melloh: In January.

Mr. McCarthy: If we voted on it, would the equipment be delivered in January?

Mr. Melloh: Yes, they would replace it in January. I have two proposals for the pump station, one from Rainbird and the other from Watertronics. The pump station is in a good state of disrepair. The Board is not voting on it today. This is just for informational purposes. The Rainbird proposal is to replace the entire pump unit. I will get you more information. We discussed this before. We tried to get some people to come out and repair it. It was sand blasted. Bill met with them out in the field. No one really wants to repair it because it is too far gone. To fully replace it with a brand-new unit, which would work well with the new irrigation system, is \$158,680. Rainbird provides financing. We asked them for two finance programs; one for 60 months and one for 120 months. Both of those have a small balloon payment at the end. Technically, we can go with the 120-month plan, which is a 10-year plan. It would cost \$1,520 a month, or \$18,000 a year. At the end of 10 years, we would owe them \$15,000, because there's a 10% balloon. This is well past the time of the bond. We could pay it off at the time that we choose to do that. There are a lot of different options. One of the other options is for



Watertronics to repair what we have. They would come in, remove all of our current pumps, the drive, electronics and valves, install a brand-new pad and put our old pumps and drivers back on for \$46,080.

Mr. McCarthy: Would this repair work with the new irrigation system that we will get in five years?

Mr. Melloh: It may not, because it may not be as efficient as we want them to be. What we have now, are two large 90 horsepower pumps with variable speeds. The newer systems require 60 horsepower mowers. It saves wear and tear on the system and electricity.

Mr. Bedwell: It will slow things down.

Mr. Melloh: Exactly.

Mr. McCarthy: With the Rainbird proposal, is there more backup information than just this cover sheet?

Mr. Melloh: Not right now, but I will get more information.

Mr. McCarthy: I want to see the three motors stated in here.

Mr. Melloh: We will get all of the details. This just came in. It's hot off the press. We've been talking about it and I wanted to, at least, prepare you for the conversation that we will have in a few weeks.

Mr. McCarthy: You have been trying to get this information for five or six months.

Mr. Melloh: There are so few people in the business that do this. They are not doing any new golf courses. They are just renovating the ones that they have. The people in the business have a lot of business. It is hard to get information from them.

Mr. McCarthy: Watertronics has been five to six months behind. Rainbird is two to two-and-a-half months behind.

Mr. Melloh: I will get more material. The hardest thing is that this is being proactive, and so much of what we do is reactive, so it's hard to say, "Let's spend \$158,000 on something that appears to be working right now." We don't know how much time is left and what the situation is.

Ms. Thomsen: It's hard to know if we should spend the money to have the pumps re-done.

Mr. Melloh: Right.

Mr. McCarthy: Or when the bottom ballast tank will blow.

Mr. Melloh: Exactly. There's a lot to it. I just wanted to bring this up for discussion.

Mr. Bedwell: It's hard to spend \$158,000 when our golf customers won't notice. It's like the irrigation system.

Mr. Melloh: They'll notice it if you don't spend it. That concludes 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. Oakley, with all in favor, the General Fund Checks 3098 through 3117 totaling \$105,322.33 was approved.

Ms. Walsh: There were no Capital Reserve Fund checks.

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the Golf Course Fund Checks 24652 through 24720 in the amount of \$46,348.76 was approved.

**B. Balance Sheet and Income Statement**

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

**EIGHTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. Oakley: I would like to commend Tim on the Evening Glade Moonlight event. I think it was a great idea.

Mr. Melloh: It was the Moonlight Special.

Mr. Oakley: It was very nice to watch it and I received an email on it. Going over Kevin Erwin's Report, before the next workshop, I would like someone to ask him if we should look at going after some of these evasive species, more than we currently are, or if we are doing a good enough job now. I think it's something that we should look at before it gets out of hand. A little money spent now will save us a lot of money later.

**NINTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Walsh, seconded by Ms. Thomsen, with all in favor, the meeting was adjourned at 3:04 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman