

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

Present and constituting a quorum were:

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

Also present were:

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

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 not being any, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Minutes of the June 22, 2016 Meeting

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the minutes of the June 22, 2016 meeting were approved, as amended.

FOURTH ORDER OF BUSINESS

Unfinished Business

Mr. Melloh: Last meeting I told you I wanted to do a further analysis of the six and four month membership plans. I did find that they probably pay a little bit of a higher rate when they play four times a week. What I am proposing is of the six-month plan instead 78% of the full rate I am proposing a 70% rate. In the four-month plan I am suggesting a 50% rate instead of the 58% rate. It drops each membership down by a couple hundred dollars and I think we may have the opportunity to sell a few more of these. If you remember last year we did put in a cap and said more six-month memberships will be available as long as there is space available. The full annual memberships always take precedence over the four and six month memberships. I think this is a good rate to drop that down just a little and give us an opportunity to maybe sell a few more of these.

Mr. Bedwell: Do we have an established cut off rate, is it 100?

Mr. Melloh: It is 100 and we are at 47 from last year so we have plenty of room to grow.

Mr. Bedwell: This is line with Duran and Baytree. That is what is important.

Ms. Walsh: Do you think that we have suffered because of that 8% difference?

Mr. Melloh: Some people may have just decided not to do it. We won't know until we drop it and see if we pick up several and then we will know we were overpriced in that area.

Mr. Bedwell: The only thing I had were some complaints that people were trying to split up their payment so they bought the full month and then extended in January.

Mr. Melloh: We had two or three people last year where they paid the rate and then they will pay the difference. I think we have a \$99 fee to do that.

Ms. Walsh: That is one of those things that you want to keep an eye on. Is it just what we want or is it actually impacting our sales?

Mr. Melloh: I think in this case we might be able to pick up a few extra.

Mr. Bedwell: Is the four to six month plan part of the 44 manual memberships or is that the annual?

Mr. Melloh: The annual is the only one that gets the payment plan.

Mr. Bedwell: You said we had 44 members.

Mr. Melloh: We have 47 and that includes the four and six month plan.

Mr. Bedwell: Do we sell four-month plans during the snowbird season?

Mr. Melloh: Yes we do.

Mr. Bedwell: I think we might get more. That is my opinion.

Mr. McCarthy: We don't have a lot of them at this point though.

Mr. Melloh: We don't have a lot. We may have five all together out of the 47 are partial memberships.

Mr. Bedwell: On the rate page you published for a certain time of the year. It says 18 holes that VECA sponsored the league way. What is that?

Mr. Melloh: That is for the Men's and Women's Association for VEMA and VELGA.

Mr. Showe: We did reformat this page for the Board's information. This is the sheet that we had last time that had everything combined on one sheet. We split it up and turned it the other way. I think that makes it a lot more readable for everyone.

Mr. Bedwell: Is that all year long for VEMA \$46?

Mr. Melloh: It is the same thing.

Ms. Walsh: Not being a member of the 18-hole league, is that what they have been paying all along?

Mr. Melloh: Yes.

Mr. Bedwell: They get 25% off if they are in the CDD.

Ms. Walsh: If you are in a league anyway usually you get that.

Mr. Melloh: I think it does fluctuate down a little bit because of the CDD right now.

Ms. Walsh: If they are paying the same rate all year long as part of the VEMA or VELGA18-hole rate, are they getting the 25% after that?

Mr. Melloh: No sorry I misunderstood. The only other thing on the rules was just to try and clean it up a little bit. We have the verbiage in there so the golf club operates a restaurant and we just need to say the golf club leases a restaurant just to make that correct. We will present that in the rules and I will update that.

FIFTH ORDER OF BUSINESS

New Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. General Manager's Report

CDD Report

Mr. Melloh: We received our new disc unit that was damaged in the accident in December and that was covered by insurance. They are out there cutting fire lines and are getting prepared for the Scrub Jay burn in October. The guy has been here and has a list of things he needs to get accomplished before the burn so that they can keep everything contained.

Mr. Fritsch: Was the guy who was injured in that okay now?

Mr. Melloh: He is he has been back to work and is doing fine.

Golf Operations Report

Mr. Melloh: We have had no measurable rain in the last 45 days or more. Our fairways, tees, and roughs have been nose bleed turned off color but what that does is the Bermuda grass doesn't die, it goes into a state of dormancy like a winter frost and it can be in this state for about a 100 days before there is any kind of turf loss at all. Right now we are in day 48 of the 53-day grow in and the assessment is the greens are doing extremely well. We are all very happy with how they are filling in, growing in, and gaining root depth. I don't think we could've done anything better there. This is just something I wanted to inject and I have been talking to the people who own the tifeagle grass and they have expressed an interest in using us as a marketing piece because of our success with the no till renovation with that. We have sent them pictures of it and they are going to write an article and use it in some of their marketing. They will send us a copy of it for review so that we are happy with what they are saying. They have talked to the people at Pike Creek in Georgia and everybody gives us very high praise for the staff and what has been accomplished out there. That could be some really good marketing and publicity for us. With that being said, Scott and myself feel that it is in the best interest to back up our opening date 13 days and open on August 15th. With the lack of rain that we've had and the fact that we would like to have a greater root depth because whenever we start putting people out there on the greens you want them in the best possible conditions. With the high heat and lower humidity that we've had and the fact that we haven't had any rain I think that it is in our best interest to wait another 13 days to do that.

Mr. Fritsch: If you have to wait to the end of August revenue wise it is not going to make that much difference so please do it.

Mr. Bedwell: Has anybody taken a sample to see how far the roots are?

Mr. Melloh: Yes they are getting deeper. Golf greens actually mature and continue to grow for as much as a year past the time so they are definitely beyond where you would expect them to be at this time.

Ms. Walsh: They aren't really known for a deep root are they?

Mr. Melloh: Not as deep as some stuff that you would think but as far as tifeagle goes this is what you have. You still want the grass to dig deep and establish the root system.

Mr. Bedwell: I was just concerned with no rain and sprinklers aren't as good.

Mr. Melloh: The plan going forward would be for us to open on August 15th and I would like for us to open up with a scramble golf tournament. Not the typical ABCD scramble that we have been doing I would like to make it a tournament where people can create their own teams because we feel there are a lot of people that this will be their first time on the new tifeagle greens and they would like to play with their friends. We will make it a very nice little event and have everyone go out there at the same time to play the new greens. It will be a 9:30 a.m. shot gun start because that will be the only thing that we will do that day. We aren't going to plan on putting people out ahead or behind the tournament. I have talked to Terri and our entry fee will include a lunch afterwards. I would like to hold off on a big golf tournament for a ribbon cutting and I'm envisioning Tim to get the current Board out on the putting green and take a ceremonial first putt if you will. We could do this at the end of October or maybe the first of November because there are a lot of our residents that are away and I know they would like to be a part of that and that will give us another opportunity to do that. With that being said, we will start the tournament, collect the entry fees, and get things going but to Bob's point if we get to a few days ahead of the 15th and still say it's a no go we will scrub that tournament and wait another week to try again. Scott and I personally think that 13 days will be plenty and everything should be fine.

Mr. Bedwell: When we finally open are we going to send a letter to the annual members telling them when their new membership date is effective? If it is 90 days on temporary greens and I joined October 1st then January 1st I would get a letter when my due date is.

Mr. Melloh: Yes and we will actually take the letter and address it to everybody. Everybody did sign up differently and we said it would be a year from when they signed up. We will calculate everybody's new expiration date, put it in that letter, and send it out to everybody. If it does go off on the 15th it will be right at 90 days and then we will just add that to everybody's membership, which should put everybody due somewhere around January 1st to

January 15th. We will still recognize our revenue because we have not taken any revenue in June since we have been shut down so there will still be revenue in October, November, and December for that because we haven't been taking the revenue now.

Mr. Bedwell: You haven't been taking the revenue now?

Mr. Melloh: No since we have been shut down. Everybody is paying.

Mr. Showe: We are watching it and we anticipate a drawing some down in the Capital Reserve to cover short falls and we will just keep an eye on it. If we need to transfer then we will have to transfer. I don't think we have made that transfer yet.

Mr. McCarthy: One of things I like about it is it gives you an opportunity to get things done on the golf course that are not interfering with people that are paying whatever the fee is going to be. You may have mentioned it to the other Board Members but talk a little bit about the ball rolling and how you get it roll like a cue ball on a pool table. Right now it is a little bit bumpy and I think we are doing the right thing by holding off because if someone comes out and the ball is bumping all over the place they are going to say the greens are the same as they always were and they aren't coming back here.

Mr. Melloh: The ultimate vision is a cue ball rolling across a pool table, which is very smooth and keeps running out and slows down at a slow pace. Right now kind of envision a tennis ball bouncing down a gravel road a little bit, it rolls good but bounces some. The things that you do and you see the mowers, rollers, birdie cutters, and top dressers out there frequently that all is part of the plan. Even when we open up they will still get smoother. Rain would've helped us out quite a bit but the coverage is there. Number 14 green has come on really strong and 12 and 13 greens are a little behind but even they're kicking in really good. We are looking really good and there are other things that we have done to the golf course. The three holes we did the bunker renovations on it will give a little more time for that sod to knit in and heal. We put the first mowing on those areas today and the first mowing on the tifgrand collars around the green. We do have the liners and the sand and that should be installed this weekend.

Ms. Walsh: Is that what is in the parking lot?

Mr. Melloh: Yes. We are going to get another six truck loads because we are well ahead of the budget for this that we are going to take a little bit of the money and buy some more sand to try and refresh some of the bunkers. We stated in the past that we would do that if we were ahead a little bit, which we are. The playability of the bunkers we have nowhere near the amount

of sand in the bunkers that we need to. I don't know when the last they put sand in there and Justin even said he doesn't recall ever putting sand in them.

Mr. McCarthy: The last we got was from the Space center and it was the molding sand. That was a long time ago.

Mr. Anella: It was for a competition they had.

Mr. McCarthy: Yes for sculpting. That probably wasn't the best sand to put in it.

Mr. Melloh: That is the plan and I think 13 extra days is going to be beneficial and like Bob said, we certainly won't say that is official but I think that is going to be good. If we have to call everyone last minute and let them know that we need to wait another week we will.

Mr. Bedwell: You need those two extra weeks then if you are going to be doing some bunker sand.

Mr. Melloh: There are ways to do that while we still have play. You just do a couple bunkers in the morning before play but now we can concentrate a little more on that. We aren't going to do anything to compromise the greens and we all want this to be done right. There does come a time that you need to get out there and start playing though. I think we've got a good balance there.

Mr. McCarthy: To summarize, I guess we are all set for August 15th and if for some reason you and Scott don't think it is a good time to open we will just back it up again.

Mr. Bedwell: What is the tifgrand sod? Is that around the green?

Mr. Melloh: That is around the collars.

Mr. Bedwell: I thought it was already installed.

Mr. Melloh: Yes.

Mr. Bedwell: It says it is being installed today and tomorrow.

Mr. Melloh: I forgot to take that out I am sorry about that. It is already done.

Mr. Bedwell: When is bunker 1, 8, and 10 going to be complete?

Mr. Melloh: This weekend and they should be putting the bunker liner and sand in. We also are trying to get Landirr to resurface the 16th tee box and put celebration grass down so that we have a better tee there. We did have a little hold up there because we got a nematode report back and we have some pretty severe nematode issues on that tee. Scott has sprayed it with a chemical called multi-guard to try and reduce the numbers down but we have a very bad infestation on that tee box.

The GPS units were installed last Friday, July 22nd and everybody seems to be very happy with that. We have four or five private cart owners that want to have them installed on their cart so we are going to get them set up. There are two or three units that we have to send back to the factory, which they have given us spares anyway. There were just some minor problems.

Mr. Bedwell: What are these people using the GPS for, because that is yardage to the regular green isn't it?

Mr. Melloh: Yes it is.

Mr. Bedwell: You see the yardage to the fairway and bunkers but it doesn't do any good for the temporary greens.

Mr. Melloh: They really aren't using them right now but the yardage is to clear a bunker or something like that.

Mr. Bedwell: We didn't reprogram for temporary greens though right?

Mr. Melloh: No we did not.

Mr. Fritsch: How much is that unit for a resident that wants to buy one for their private cart?

Mr. Melloh: They are \$395 to buy the unit and everyone will pay Denny \$30 to install it on their golf cart. That is our cost and it includes the wiring harness and the whole unit. We won't be able to see them on our system because we don't have any need to do that right now. Later on if we decide we want to see everyday it is \$6 a month to be on the system but as far as the yardage and everything that it does from the golfer's perspective it comes with that. You have the review for the rounds of golf in your agenda and it is still amazing how many people have been out there. Yesterday we had 81 golfers and a little over \$1,000. Right now we stand at \$20,000 with a few days left so hopefully we will keep it going.

Mr. Bedwell: I don't have June and this seems very similar to June.

Mr. Melloh: Yes it pretty much is almost identical.

Mr. Bedwell: If July turns out to be like June we might only lose \$70,000 instead of \$78,000 if we come in with the same green fees, because we will sell the same driving range.

Mr. Melloh: Yes we will have to look at the numbers but let's say that it does.

Mr. Bedwell: Have you spent any of the contingency money?

Ms. Walsh: For the sprigs I thought we did.

Mr. Melloh: Yes we have spent a little bit of the contingency money. This is as of June 30th and a lot of the contingency money we have spent came after July 1st.

Mr. Bedwell: Do you still feel pretty comfortable about projected end funding balance of \$224,000?

Mr. Melloh: I do feel comfortable with that and for the next workshop I plan on getting you the other worksheet that I have worked on, which is where we stand as far as the budget goes. Right now we appear to be about \$40,000 under budget for this project but we do have a few other costs to throw in there. We do have some more chemicals and fertilizers and more top dressing sand to buy. I did authorize Scott to buy \$6,000 worth of G-Angle sand and start replenishing the bunkers. We do want to do the tee box on #16 so depending on where we sit as far as how under budget we are after that. I am thinking from an educated guess that if we were to put a good amount of sand in the bunkers that are played the most, pay all of our expenses, and get everything done we should be about \$15,000 under budget. At that time we can address maybe some other things that we may want to do to the golf course. Maybe some more beautification and we want to do some more of the shell rock enhancements, although we want to change products on that because it promotes weed growth.

Mr. Fritsch: There is nothing wrong with not spending that \$10,000 either.

Mr. Melloh: That is true.

Mr. Bedwell: The only high risk I see in this is because we lost \$65,000 in May, \$75,000 in June, and probably \$70,000 in July. Then for August and September you forecasted a \$50,000 loss. That to me is our worse months and that is a tough one. I know you guessed and did the best you could.

Mr. Anella: If you look at the numbers right now and where we projected \$250,000 loss we have already lost \$50,000 to date. We have three more months and I would say that we are going to come under that \$250,000. I think we are in very good shape right now.

Mr. Bedwell: Do you think for the year we are going to lose \$250,000?

Mr. Anella: That is what we have down here \$254,000 but we have lost \$52,000 to date in June. We have three more months and we should be able to get less than that \$250,000 it may be around \$200,000 and that will protect you \$50,000. I don't see anything happening that would cause us to lose more money.

Mr. Melloh: We do have a wild card that hopefully we do get a nice bump from people wanting to come out and try the new greens. Hopefully August and September are better.

Mr. Anella: September has always been a disaster for some reason.

Mr. McCarthy: Remember that the goal was when we started this project was to end up with a Reserve of \$200,000 and I think to Tim's and Scott's credit it looks like we are going to end up more than that. That is a good job on yours and Scott's part.

SEVENTH ORDER OF BUSINESS

Treasurer's Report - Consideration of Financial Statements

1. Approval of Check Register

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the General Fund check register in the amount of \$223,764.26 was approved.

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the Capital Reserve Fund check register in the amount of \$44,792.91 was approved.

On MOTION by Mr. Fritsch, seconded by Ms. Walsh, with all in favor, the Golf Course Fund check register in the amount of \$54,112.12 was approved.

2. Balance Sheet and Income Statement

Mr. Showe: Towards the end of June it looks like we got a lot of the certificate sales for assessments so we are all collected on our assessments for the year.

Mr. Anella: The only thing that shows is the \$52,000 year to date loss, which I think is running right with the overall \$250,000 loss.

EIGHTH ORDER OF BUSINESS

Supervisor's Request

Mr. Bedwell: I am still on the rate sheet and I don't understand why we had the line items for the VECA sponsored league rates. All other rates are three seasonal rates. I don't

comprehend why we are having a rate in there for league rates. Have we always had a league rate?

Mr. Showe: I think there has always been a league rate there but for purposes of being a Governmental Entity you have to publish and have all of your rates somewhere.

Mr. Bedwell: Where is the sheet that has the three different rates?

Mr. Showe: The daily rate sheet will be attached as an Exhibit to this.

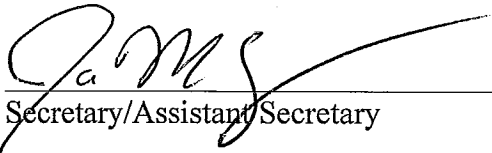
Mr. Bedwell: We agreed that is going to be the same, correct?

Mr. Melloh: Yes.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Walsh, seconded by Mr. Fritsch, with all in favor, the meeting was adjourned at 2:33 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman