

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, August 25, 2016 at 6:00 p.m. at the First 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 6:00 p.m.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Spurgeon: This is my fourth year in a row to have come to ask you to remove that tree off of Viera property. This time I have a picture of a tree on Rockledge River Road that fell in what the neighbor said was less than a 25 mph wind. Your arborist that you paid to come over and look at the tree and said that it would never fall if you cut all of those branches did not know what he was talking about. I just don't understand and you've already spent more money taking the limbs off of that tree and making it incredibly ugly than it would've cost to take the tree down. The only reason I've ever heard of your reason for doing that is you didn't want anybody that ever wanted a tree taken down to come here and petition you to take their tree down. Has anybody ever come here and asked you to take a tree down?

Mr. Anella: I thought we offered to take that tree down?

Mr. Spurgeon: Yes you wanted me to pay for half of it.

Mr. Anella: Yes I remember that.

Mr. Spurgeon: This is a matter of principle at this point with me and if I can't get you to do this before the end of this hurricane season, I have talked to a gentleman at Channel 6 News and they have a special division that investigates I guess you would call this a consumer issue, but I am going to ask them to come over and get involved. If you want that publicity that's fine but my wife still will not sleep in her bed when there is wind and rain going on in our backyard. This is beyond stupid you have spent more money to not do something than it would have cost to do it and yet you say you don't want to do it because it will cost money. What kind of financial responsibility did that show on this part?

Mr. McCarthy: I appreciate your comments thank you very much. I will ask our General Manager to make some comments please.

Mr. Melloh: Last year Mr. Spurgeon came in and addressed the Board and we had the arborist come out. The arborist wrote in the letter that the tree was healthy and it just needed some corrective trimming, which we paid to have that done. At that point in time we are not the experts and I don't know if you're a qualified expert yourself.

Mr. Spurgeon: You can look at that tree and see the center mass leaning 25 degrees towards my house. If the wind comes in the right direction, which would be approximately north east, if a hurricane came in just north of the cape that tree would be in the top of my house. No way that it could avoid it. That picture of that tree proves that.

Ms. Walsh: Trees all have different situations. This tree here is on the river and it has a whole different subset of values that cause that tree to fall.

Mr. Spurgeon: My tree is basically on the river also it's on the big canal back there. It's closer to that canal than that tree was to the river by probably 100 feet.

Ms. Walsh: We don't know anything about this tree so it's hard to say that this tree is indicative of what will happen with your tree. We will continue to follow it and we did before like you said, if you want to do it we will split the cost and get it done.

Mr. Spurgeon: But yet you went and spent more than twice that amount.

Ms. Walsh: To keep a live tree on our property that is healthy, according to the arborist that came out to see it.

Mr. Spurgeon: Like I said to me this is beyond the pale. You have a resident that has lived here for 16 years and I'm just asking you to do something so that my family will feel safe. I think that part of your responsibility is to take care of the residents, not to keep a tree that is a potential danger to my house and my family. That's not your job and I believe my situation exceeds that by a bunch.

Mr. Melloh: We hired an expert to come in and the expert said that the tree was healthy and that it did not need to come down. He does not recommend taking it down and he requested that we do a corrective trimming to it, which we did do and that is where it has been left.

Mr. Spurgeon: I understand and I'm going to fall under gravity that I have at this point if you decide not to do this and you have until the end of next month.

Mr. Melloh: It could be that the arborist looked at the tree that fell down and he might have said this tree is rotting out and needs to come down. We can't say that an arborist looked at that tree.

Mr. Spurgeon: If the risk is worth it to you then that is fine.

Mr. Fritsch: We've bent over backwards and at one time we even offered to allow him to take it down. We offered to pay to allow you to take it down and you chose not to.

Mr. Spurgeon: I should pay to take your tree down?

Mr. Fritsch: You're talking to the wrong guy. I've listened to you and we've given you our opinion and bent over backwards. I've been in your backyard three times myself so whatever you want to do please do it.

Mr. Spurgeon: You got it.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes of the July 27, 2016 Meeting**

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the minutes of the July 27, 2016 meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Public Hearing**

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the public hearing was opened.

**A. Rules and Rates****i. Consideration of Amendments to Attachment A to Chapter IV of the Rules of Procedure**

Mr. Melloh: The only changes that we made here is that we placed the reference to the CDD providing food and beverage operation to leasing out the food and beverage operation. We did move a portion for charging fee for handicap flag. The final thing that we did is we removed weekday holiday being treated as weekend rates as it pertains to the daily fee and also the gold membership. We just have a little change to make on page 1 where it still refers to weekend holidays.

Mr. Showe: That was the intent so we will make that change if the Board is amenable.

**ii. Consideration of Golf Course Rates for the Fiscal Year 2017**

Mr. Melloh: As far as the public rates go all daily rates will remain the same as the Fiscal Year 2016. Friday will now be considered a weekday instead of the weekend. Our off-season rates will now run through October 15<sup>th</sup> whereas they ran through October 1<sup>st</sup> in the past. Weekday holidays will remain as weekday rates. CDD residents will remain the same as the Fiscal Year 2016. The Associate membership will remain the same as last year and will receive a 20% discount. Both will be sold to the public for \$79 and will include one complimentary round of golf. As far as memberships go all of our annual membership dues will remain the same. Six-month memberships we are dropping the percentage of the annual down to 70% from 77% to be a little more competitive with that type of membership. Also the four-month membership we dropped down to 50% instead of the previous 58%. I wanted to also take this time to talk about some of the improvements we've made to the golf course this year, which is going to be a preview to our budget but a key ingredient to increase this facilities ability to enhance the golf experience and of course this year we've just finished up installing tifeagle greens on all 18 holes. We eliminated the bunker on hole #1 so you can't see it. We reduced the bunker size on hole #8 and #10. We removed 14 trees that defined the wetlands on hole #6. We purchased new E-Z-Go golf carts and on those we've installed GPS systems. We've gotten a lot of great comments on those so far and lastly earlier this year we went into a lease with Divot's Grille. Divot's Grille had a renovation and we are pretty set going forward with some improvements we've made to the golf course. That is all I have.

Mr. McCarthy: Under Rules and Rates we can combine item 1 and 2 and vote on it at this time.

Mr. Showe: We will go ahead and open it up for any comments from the residents for public hearing.

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the Amendments to Attachment A to Chapter IV of the Rules of the Procedure and Golf Course Rates for Fiscal Year 2017 were approved.

Mr. Spurgeon: Is any tree that they have taken down in Viera East going to be taken in the minutes of this meeting?

Mr. Showe: I would find that unlikely. Our minutes are transcribed word for word so unless the Board discussed it, it would not be specifically in the minutes.

Mr. Spurgeon: Thank you.

**B. Budget and Assessments**

Mr. Showe: To give you some highlights of what we have in Viera East, we have 31 communities and over 4,200 residents. We have 205 acres of commercial properties and 1,000 acres of wetlands and conservation areas and scrub jay habitat. We maintain 84 CDD ponds and an 18-hole golf course. We have the restaurant and we also maintain Woodside Park. We do have various other infrastructures throughout the District including some nature trails. We have 13 full-time staff and 30 part-time staff and a lot of information you can find also at [VieraEastCDD.com](http://VieraEastCDD.com). Some highlights that we've done in 2016 is we put a new HVAC system and also blown in some insulation there. Tim has instituted a new plan on gold membership programs and we talked to you about the tifeagle greens as well as the bunkers and removing the trees. We started the ABC scramble and we've instituted more Golf Now programs to help with marketing. We've hired an Add Assistant and we've also gotten a new ball range dispenser. These are our expenses for the year that we've budgeting the actuals and what we are projecting. I will note that these numbers are strictly golf operations so it is kind of offset of some of those Assessments. That doesn't take into account some of the transfers that we are going to do I think to rectify the golf course with some of those expenses. We've proposed for 2017 \$1.67 million worth of revenues and then that offsetting amount of expenses. These are our revenues by

department so obviously we collected about \$1.1 million on greens fees and about quarter million dollars in platinum and gold memberships and the rest of those fall in line and are listed there. You can see where the vast majority of these expenses of the course go to maintenance and that is the most expensive part. The rest of those fall in line with Admin. This shows you what translates to your tax bill and when you look at your tax bill you will see Viera East CDD under the non-ad valorem section and they just have \$678.35 and that is broken down into three pieces. The largest piece you pay is for the Water Management Debt Service line and that is \$413 and you pay \$135 for Operations and Maintenance, which is our General Fund. You also pay \$128 for the Recreation Fund, which is the debt service on the golf course plus a little bit more for operations. In our General Fund these are kind of the general expenses that we do as a CDD. We do Administration and that is the park maintenance, all of our lake maintenance and conservation areas, and it also includes our fire maintenance. We collect over \$864,000 in Assessments and that is offset in those expenses. The Debt Service Fund is the largest portion that you pay your Assessments and right now we've got \$11.8 million still outstanding but it is fully scheduled to go away in 2022. We've collected over \$2.4 million worth of assessments and that goes to pay principal interest and all of the other debt and the associated costs with that. The Recreation Fund is where the golf course fund goes along with all of the revenues that your golf course makes. It is \$128 per unit and we collect about \$622,000 on that annually. The expenses following Woodside Park and golf course operations the vast majority of that goes to pay the bond back for the golf course and the recreation. That bond is scheduled to be fully paid off in 2026 and there is \$4.4 million outstanding there. Finally, the District has the Capital Projects Fund and this gives you a tracking of how that Capital Projects Fund has gone throughout the years. There was an increase between this year and 2013 and 2014, which included additional accumulated funds in the General Fund plus the additional money that we had from the Viera settlement. That is why you see the increase from 2013 and 2014. The difference between 2015 and the end of 2016 is a lot of the improvements that we made to the golf course that Tim talked about. We show that we are going to be funding some more money back in there in Fiscal Year 2017. Are there any questions on the basics of the budget? We can open it to the public at this time as well.

Mr. Jim: You have associations within the development so do you have anything to do with making the decisions on our type of requests?

Mr. Showe: The CDD is a complete separate distinct operation. We are licensed under Florida Statute chapter 190 so we are separate from all HOA's and we don't have any ability to regulate anything on private property. We have no influence on any of that.

Mr. Jim: I was reading the by laws in the State Senate and it's like you guys are upper Management for our associations, that is not it?

Mr. Showe: No they can only spend money on things that are within the CDD. That is all separate.

Mr. Jim: I just wanted to know from the Board.

Ms. Walsh: The only thing that we might have anything to do with your area would be fire lines or scrub jay habitat.

Mr. Jim: What about the water?

Mr. Showe: The District owns 84 pumps.

Mr. Jim: Is the boating on the water authorized?

Ms. Walsh: No it's not supposed to happen.

Mr. Jim: I did call previously and they said it would be trespassing, correct?

Mr. Showe: Correct it is CDD property so that would be trespassing.

Mr. McCarthy: Tim why don't you explain the trespassing policy that we have in place now with people accessing the ponds.

Mr. Melloh: That would pertain more to the fishing and we do allow fishing in certain areas but not behind homeowners. I can get you a copy of the policy.

Mr. Jim: I read on the website just the by-laws and it said each location makes their own determination and there is no clear determination with trespassing or anything like that.

Mr. Showe: Yes you would make a determination on any ponds that your association may own. In this case the CDD owns it so it would be trespassing. Tim was addressing that the Board did approve some policies for fishing but that is the only thing we've discussed on fishing so any other uses would be trespassing.

Ms. Walsh: There are signs in certain areas that say no swimming, no boating.

Mr. Jim: The basin in front of the sidewalks that is not our property that is the City's.

Ms. Walsh: That is the County's.

Mr. Showe: You have to go to a property appraiser for that.

Mr. Jim: So the rules for those are based on the association also correct?

Mr. Showe: If it is your property I think if it is County property then it's the County.

**i. Consideration of Resolution 2016-07 Adopting the Fiscal Year 2017 Budget and Relating to the Annual Appropriations**

Mr. Showe: We will fill in all the blanks and attached to this would be the proposed budget now. We will put it in final form in order to be adopted and attach to this Resolution. We can answer any questions on that.

On MOTION by Mr. Anella, seconded by Ms. Walsh, with all in favor, Resolution 2016-07 adopting the Fiscal Year 2017 budget and relating to the annual appropriations was approved.

**ii. Consideration of Resolution 2016-08 Imposing Special Assessments and Certifying an Assessment Roll**

Mr. Showe: This is what levies your Assessments onto the tax bill and attached to this document will be two items. One will be the adopting budget that you just approved and the other will be 100 pages of excel spreadsheets of those Assessments and I have an electronic copy if anyone is interested in looking at it. It does levy those Assessments individually on every parcel throughout the District.

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, Resolution 2016-08 imposing special assessments and certifying an assessment roll was approved.

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the public hearing was closed.

**FIFTH ORDER OF BUSINESS**

**Unfinished Business**

Mr. Melloh: In your agenda packet is information on upgrading the Rain Bird International Service Division software for our irrigation system. We looked into seeing if we could start off with monthly payments and if we do that we have to stick with that. The only other option would be to pay the full amount, which is something that we spoke about and I personally would advise against because we are running the reserves down and we would like to be able to keep the reserves up. As far as the yearly payments of \$4,139 the savings isn't that



great so I'm just recommending that we go with the \$348 monthly payments with the \$1,700 initial payment. It is part of the operating cost that we have in our budget.

Mr. Bedwell: Are you talking about the five-year plan?

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the proposal from Rain Bird International for the five-year plan and a down payment of \$1,766 for the irrigation system was approved.

**SIXTH ORDER OF BUSINESS**

**New Business**

**A. Approval of Fiscal Year 2017 Meeting Schedule**

Mr. Showe: We have presented to you the proposed schedule for the Fiscal Year 2017 meeting schedule. Per Florida Statutes we have to advertise this by the end of the month so we wanted to go ahead and give this to you now. We've kept the same meeting schedule that is currently set and we can make changes for November and December. I will point out the December meeting is the 21<sup>st</sup>, which is pretty close and there is no other way to move it but we can decide as we get closer to that meeting. This doesn't lock the Board into this specific meeting schedule and you will have time if you need to make other arrangements or move meetings.

Ms. Walsh: On August 23<sup>rd</sup> should we make that August 24<sup>th</sup>?

Mr. Showe: We can.

Ms. Walsh: It's just a time saving issue.

Mr. Showe: We have to advertise that meeting specifically anyways so there is really not a benefit.

Ms. Walsh: That's fine.

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the Fiscal Year 2017 meeting schedule was approved.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

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

Mr. Melloh: In the packet I gave you is our double-sided mailing that we've sent out with \$5 coupon and on the back is the \$79 annual fee for the Associated Membership. We sent

those out to 13,000 mailboxes starting with the Baytree and Suntree area, Duran, Heritage Isle, Villages of North and South Serrano, Turtle Creek area, Barnes Boulevard area and so far they are coming in like crazy. We have sold right at 31 Associate memberships so far. In the CDD it is just the normal day-to-day operations cutting fire lines and maintaining the wetlands.

### **Golf Operations Report**

Mr. Melloh: We opened up for play with our new tifeagle greens and our new renovations on Monday August 15<sup>th</sup>. We've had a lot of great feedback from those plans and everything is going as expected. We opened that day with a four-person scramble and we had 31 teams and that is 124 players. It is unheard of for August with the heat so people were very excited and the comments were extremely complimentary of the changes that were made to the golf course and the greens. The first seven days of operation we did 702 paid rounds of golf and collected \$19,845.00 in revenue from cart and green fees alone. That doesn't include range or merchandise and you can compare that to last year we did 501 paid rounds and \$12,833.00. That is a good indication of hopefully great things to come and the comments are high. We do have a lot of marketing as I explained with the mail drive and we also have radio ads on three different radio stations. If you will look at your revenue what I detailed there is the first part of the month we were still on temporary greens. We will be adding 91 days to everybody's memberships. The letter will go out and I just wanted to wait until we finally approved the rates and everything but we will be sending a letter out with their new expiration date. Even though yesterday it rained off and on all day long we still were able to produce \$1,000 in revenue. Today we were busy as well.

Ms. Walsh: Now that we are starting to get a lot of traffic, how are the greens holding up?

Mr. Melloh: Great.

## **EIGHTH 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 \$53,432.56 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 \$67,909.90 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 \$163,405.44 was approved.

**2. Balance Sheet and Income Statement**

Mr. Showe: We got all of our Assessment collection in for the year so we are in good shape.

**NINTH ORDER OF BUSINESS**

**Supervisor's Request**

Mr. Anella: Maybe we should send someone down there to take a look at that tree just to see if anything has changed. We've gone through this for four years but I don't know it's up to you.

Mr. Melloh: I can have the arborist come out and look at it.

Mr. Anella: When was the last time he was down to look at it?

Mr. McCarthy: It was over a year ago. Tim and I went with the arborist to look at it and the arborist was adamant that it didn't need to be taken down and he put that in writing.

Mr. Showe: With what he indicated today it may be worth it to have him come out and look at it again and get another report just so you have that. It's up to the Board.

Ms. Walsh: I feel the same way we should bring the arborist out. If there is a change then we will change accordingly and if there is not a change then we have information to back up our reason.

Mr. Bedwell: How much would it cost to get a lawyer's opinion? This gentleman is in the minutes and his request is that if a hurricane and wind come it will blow and destroy his house. Is the arborist going to protect us?

Mr. Showe: Nothing protects you from a lawsuit anymore.

Mr. Bedwell: I know they will sue but will we win?

Mr. McCarthy: I have a big tree that hangs over my house that is in your wetlands. If you want to take it out it will cost \$5,000 to \$6,000. All your doing if you encourage that is you are asking for a giant mess that you will deal with for years because everyone of those properties have trees behind them. His neighbor doesn't like it there because it drops leaves, well my neighbor doesn't like the big tree in my backyard because it blows leaves on his lawn.

Mr. Fritsch: That tree is probably 100 feet tall behind your house.

Mr. McCarthy: Yeah it massive.

Mr. Bedwell: I just think for due diligence as a Board member we should do something.

Mr. Showe: To your point it is probably not the better question for a lawyer but for the insurance coverage because it will go there before it even gets to the Counsel. We have insurance coverage for any claims.

Mr. Fritsch: Why don't we further discuss this at our next workshop to give Tim to do some research.

Mr. Showe: I will send the question to our insurance company to make sure that we are properly covered for damages that may or may not be liable on the CDD.

Ms. Walsh: He has come to us before and he has threatened the litigation before. That is his right to do so but I think we need to get the arborist out there prior to the workshop just so we have that information.

Mr. Bedwell: The insurance covers the pond.

Mr. Showe: I will follow up on that information.

Mr. Fritsch: If you go back to your notes you will find we went through this before. We talked to the insurance company and that's how the decisions were made.

Mr. McCarthy: We will do some research on it and Tim will come up with something and we can discuss this at the workshop. I think that would be the best and I think that Jo's point is good to get the arborist out there and have him reevaluate prior to the workshop if that is possible.

Mr. Melloh: We will do that.

Mr. Bedwell: What is the process for us starting October 1, to collect about 4% on the revenues?

Mr. Melloh: Yes.

Mr. Bedwell: Is it going to start in October or are we going to be running one month behind?

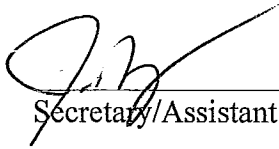
Mr. Showe: I think you have to submit the paperwork one month after the budget is completed.

Mr. Melloh: I would imagine that.

**TENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, the meeting was adjourned at 6:37 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman