

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, September 28, 2016 at 2:00 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
Bill Oakley	Resident

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. Oakley: Representing Demont I would like to invite all of the Board members to the luncheon on October 6, 2016 at the Community Center as a thank you for the efforts that you gentlemen have all put in on upgrading the golf course and those expenditures. If you would like let us know in the next few days if you will be attending.

Mr. Melloh: I think everyone has responded.

Mr. McCarthy: What time?

Mr. Oakley: Probably around 12:00 or 12:15 p.m.

Mr. McCarthy: Thank you for that invitation.

THIRD ORDER OF BUSINESS

Approval of Minutes of the August 25, 2016 Meeting

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the minutes of the August 25, 2016 meeting was approved.

FOURTH ORDER OF BUSINESS

Unfinished Business

A. Ratification of Enhancements

Mr. McCarthy: The enhancements would be the ice dispenser on Holes #7 and #15. We are going to vote on it to not exceed \$20,000. Are there any questions?

On MOTION by Ms. Walsh, seconded by Mr. Fritsch, with all in favor, Mr. Melloh was authorized to proceed with the enhancements for the golf course in an amount not exceed \$20,000.

B. Discussion of Arborist Report for Collingtree

Mr. Melloh: We talked about this at the workshop but we did have the arborist review the tree for Mr. Spurgeon. One of his neighbors also put in a written request to have a tree near his property assessed at the same time. The arborist says that the trees are in great health and they are thriving so there is no need to do anything there.

Mr. Bedwell: Is Steve Rose a certified arborist?

Mr. Melloh: Someone on his staff is.

C. Discussion of Facility Use Agreement for Golf Lessons

Mr. Showe: We handed out the revised updates that our legal department has made. They are similar to what Tim provided originally and we used the PGA form to start. We sent it over to District Counsel and they made some slight changes to make it more fitting of a Non-Profit Government Organization and put in some of the standard CDD languages. Other than that I think it is pretty much the same shape that we had it in and they clarified from landlord to District. They added some of the standard Governmental language in there.

Mr. Melloh: I gave everyone a copy with bullet points on the front and we went over that at the workshop. I am excited about this arrangement and Mike Hogan is excited about it. Does anyone have any questions?

On MOTION by Ms. Walsh, seconded by Mr. Anella, with all in favor, to authorize in signing a contract with the Mike Hogan Golf Academy leasing Viera East's practice area was approved.

D. Review of Greens Project Budget

Mr. Melloh: This was discussed at the workshop. The bottom line construction costs for everything that we did we projected it to be \$371,081 and we spent \$352,182. That put us at exactly \$18,899 under budget. What we accomplished with that is we installed tiff-eagle putting surfaces on 22 greens and but tiff-grand collars around 20 greens. We installed indoor/outdoor-irrigating heads on all of our greens. We eliminated the middle bunker on Hole #1 and rebuilt the bunkers on Hole #8 and #10. We removed 14 trees and cleaned up Hole #6. We installed a new ladies tee from scratch on Hole #11. We leveled and resoded Hole #16 tee box. We put 174 tons of G Angle sand in our bunkers and we are resoding 7,000 square feet of the backside of the driving range. We are doing Phase 1 of planting of the new grass around Hole #7. I feel very good for what we were able to accomplish for that amount of money. I think we did good and there have been many compliments on the golf course.

Ms. Walsh: It looked great yesterday except for we are still struggling with the weeds.

Mr. Melloh: The last page I gave you was a technical document talking about our number one weed on the golf course and that is called Tropical Signal Grass. If you recall last year when we were having trouble with Goose Grass and we went after that with a very expensive pre emergent called Ronstar. You will notice that we got 85% control on Goose Grass and now Tropical Signal Grass is the issue. It is an epidemic in the State of Florida and it is not just isolated to us here at Viera East. They have taken MSMA off of the market here in the State so it is very hard to control this particular grass. It is a grassy type of weed that goes perpetuates itself through stolons and rhizomes and if you will notice in here several of people are trying to come up with a combination of chemicals. That is what this study is about. We are putting out tribute in revolver at ten-day intervals. You've probably noticed when you played golf yesterday that the greens are taking on a yellowish off color to it because if they weren't treated they would probably blend in a lot with the grass that we have. We will have another application go out later this week for that so we are aware of the situation and we are taking steps to get that weed eradicated as well. Unfortunately it is more prevalent around our green complexes and our tee

tops. The draught that we had in the summer time really hurt us because that grass dried out and it took over. Does anyone have any questions?

Mr. Bedwell: On Hole #5 fairway you will see a patch of some kind of grass. Is that what that is?

Mr. Melloh: That is Tropical Signal Grass.

Mr. Bedwell: It is just in a circle and then you will go a little further and there is another patch of it.

Mr. Melloh: That is what that is and unfortunately it does spread. When you drive through it or the mower cuts through it that spreads. If we didn't check it and again back to what we were talking about we did increase our chemical and fertilizer.

Mr. Anella: Mr. Bedwell, is that what we have in Grand Isle?

Mr. Melloh: You probably do.

Mr. Anella: The reasons I mention that is maybe you want to bring that to our guys.

Mr. Bedwell: What is the solution?

Mr. Melloh: Right now the solution is the treatments of different chemicals. We are using Tribute and I think this is a good time to mention to that we have Tom Trammel as well. He has guided us in some of these directions and he has seen a lot of golf courses and it is everywhere. Unfortunately they have to find the holy grail that is going to wipe this stuff out.

Mr. Bedwell: Have you sprayed already?

Mr. Melloh: Yes we did about eight days ago.

Mr. Bedwell: I haven't noticed the color changing on Hole #5 fairway.

Mr. Melloh: You will see it but you have to look at it. The first application weakens it and the second one comes in and knocks it further back. The third one probably does it in pretty well.

Mr. McCarthy: It has been done all through the golf course on the tees, fairways, and up around the greens.

Mr. Melloh: One major spot is on Hole #13 the bunker to the left down below, the whole face of the bunker is 100% Tropical Signal Grass. Unfortunately when we go to kill that there is not a whole lot we can do there so we are going to have to go through a little bit of time where some of the grass is going to be thin there while the Bermuda grass catches up and fills in.

Mr. Bedwell: Can you throw Bermuda grass seed down?

Mr. Melloh: There is really no such thing. You can go to Lowe's and see Bermuda seed but that is common Bermuda, which is not what you want. This is hybrid type of Bermuda like 419.

Mr. McCarthy: I think what Tim is saying is that we are going to have to be prepared for a series brown spots throughout the golf course until this goes away. It will be brown spots and then hopefully Bermuda will grow into that area.

Mr. Anella: Is this going on the website?

Mr. Melloh: That is a good point.

FIFTH ORDER OF BUSINESS

New Business

A. Contract Renewals

Mr. McCarthy: Jason, correct me if I am wrong, but this is the last year of these contracts and then they will be put out to bid in the following year.

Mr. Showe: The auditing agreement that is correct. The Ecor and Kevin Erwin their original contracts didn't have a term. They were a one-year term so we just keep renewing them as long as the Board is satisfied with their work. Based on Tim's feedback and ours we think they are doing a decent job and we don't have any issues so we would not recommend bidding those services out. All of these contracts are at the same exact terms as last year these are essentially just extensions for next year.

Mr. McCarthy: There is no increase in money?

Mr. Showe: No.

Mr. McCarthy: The three are for Grau & Associates for \$7,900. Kevin Erwin Consulting for the habitat has two figures for \$14,767 and \$16,209. Ecor Industries has four different figures and that totals to \$92,842.80. Those are the three companies that are renewing their contracts. Are there any questions?

Mr. Anella: A couple of years ago with the Kevin Erwin contracts we thought about bidding them out and getting somebody a little closer. Obviously we didn't do it but the Board did have a conversation on that.

Mr. Showe: I think the Board talked about it.

Mr. Anella: Is it worth in the near future we go out and see if we could find someone closer because I thought we thought we could get that at a much lower fix. He has to drive all the way from Fort Myers.

Mr. Showe: We can look around and see if we can find someone that is willing to do that. I can tell you in our experience with contracts that if it is not broken it is difficult to get a new contractor in and then you end up missing stuff. We can take a look at it.

Mr. Anella: I think what stopped us from going out is they reduced their prices. We changed the sequence of visits down to 4 times a year. We are only looking at \$20,000, which is a lot but I don't think you could cut that down by much. I just thought that might be something to keep in mind.

Mr. Fritsch: The thing I would consider before you go out to bid others and I have been complaining about them a little bit, but they have so much history here. If you go to somebody else you are never going to get the real understanding of all of the problems by going to somebody else.

Mr. Anella: I think that is why we decided not to.

Mr. Fritsch: I would keep on these guys because the erosion of the banks and such like that, they should be coming up with a program on how to stop that for us.

Ms. Walsh: I think when we finally got that lake released we were able to then cut back on the visits. I don't know if there were anybody local that would do that. You would have that learning curve and you would just have to expect that things were going to fall through the crack. There is no other way around that if we were willing to accept that for a certain amount of time then it might be worth it.

- i. Consideration of Agreement with Grau & Associates to Provide Auditing Services for the Fiscal Year 2016**
- ii. Consideration of Agreement with Kevin L Erwin Consulting Ecologist Regarding the Provision of Habitat Management Services**
- iii. Consideration of Agreement with Ecor Industries, Inc. Regarding the Provision of Aquatic Management Services**

On MOTION by Mr. Fritsch, seconded by Mr. Anella, with all in favor, the contract renewals were approved.

B. Consideration of Equipment Lease Agreement

Mr. McCarthy: That totals in the amount of \$271,699.35 and our General Manager has recommended that we go with a 48 month payment, which brings that to \$5,167.72 a month.

Mr. Melloh: That starts in February and will also replace a lease that we are currently paying \$2,471 a month.

Mr. Fritsch: We discussed this at the workshop.

Mr. Showe: I will point out with this dollar amount in general we would have done a public bid on this however we are getting the pricing that is off of the State contract so this contract has already been through the public bidding process. The District is benefitting from that previous process so that is why we didn't go through a public bidding process.

Mr. Bedwell: Did you put this increase in the budget?

Mr. Showe: Yes.

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the Equipment Lease Agreement was approved.

C. Discussion of Dissemination Agent

i. Acceptance of Termination of Prager & Co., LLC

Mr. Showe: I am not sure why but Prager & Co. have provided termination notices on every District that we manage that they do dissemination agent for. I think the first part of the motion would be to accept their termination or resignation. The second part is as GMS we can go ahead and fulfill those terms until the end of the bonds. It will be the same term they were doing at \$1,000 a bond and that is what you are paying now. As those bonds mature and are paid off those would go away. Dissemination is essentially we take the responsibility of reporting the required information to the posting sites. There is a site that you are required to post certain things on for every year with bonds because they are public bonds just to provide information. That is what we would take over and we handed out to you the actual agreement. What is in your agenda is a proposal. The agreement is just a short one-page agreement and it lays out the terms.

Mr. Bedwell: How does this price vary from the one that dropped us?

Mr. Showe: It is the exact same price at \$1,000 a bond. We did get some proposals on other Districts and we were under all of those.

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the termination of Prager & Co., LLC was accepted.

ii. Consideration of Agreement for Dissemination Agent

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, GMS was selected to provide Dissemination Agent services.

SIXTH ORDER OF BUSINESS

Staff Reports

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

Mr. Melloh: The normal day-to-day operations are proceeding as planned. We just put in about three pallets of playground grade mulch at Woodside Park. We’ve done some clean up of the area where we took out the dock and the bench arrived yesterday. We have to disassemble the bench and put in a commercial type metal bench that you see on most playgrounds. We will bolt it to the sidewalk and it should look very nice. They are preparing the fire line and the scrub jay controlled burn in October. I just went over the spraying for the Tropical Signal Grass.

Mr. Bedwell: Are they checking the drains? The ponds are getting pretty full. Do they check those monthly or quarterly?

Mr. Melloh: Yes they check those weekly. They do a good job with that and sometimes I look at them. They look really good.

Mr. Bedwell: There are flow ways on all 85 ponds? That would take a long time to check them all.

Mr. Showe: Ecor does it as well and they are supposed to spray in there.

Golf Operations Report

Mr. Melloh: Last Thursday we hosted the Upper East Coast Ladies Golf Association. These ladies are from all over Brevard County and I think up into Volusia County. We had 88 ladies that played and we sent them off in a shotgun start with our Men’s Golf Association and they had 35. It went really well and most rounds of golf were completed between 4:15 p.m. and

4:30 p.m. There were a couple of groups that trailed behind a little but for the most part everybody had a great time. Terri in Divots Grille was able to accommodate both groups. She put the 88 ladies in the dining room and the men in the additional space. Everybody had a fantastic time and the ladies were blown away in their description and reference to the golf course in the changes that we made. Yesterday we had the ABCD scramble and we had 61 players, which for September with a lot of our residents not back yet I thought was good. We had probably about 10 to 12 brand new people that we didn't know that played yesterday. There are people that really like the changes to the golf course and they want to participate at the course more so that is good indication. With three more days to go in September we are currently over budget by about \$8,500 or \$7,500. It looks like we will end the month 20% ahead of budget versus previous years. We are very excited that we are getting the amount of play that we are getting. Are there any questions?

Mr. Bedwell: Did everyone get a copy of the letter from the lady from the Upper East Coast Ladies Golf Association?

Mr. Melloh: I gave everyone a copy of this framed picture with an engraved plate. We've had some discussions about what to do as a tribute for outgoing Board members and my suggestion is to get this. It is a framed golf flag behind glass and it will certainly be our golf flag. Then we would engrave the plate, but do you know how it was done in the past?

Mr. Showe: I think what you have there is pretty close.

Mr. Anella: Are you going to continue doing what you guys do?

Mr. Showe: This will probably replace that. It's up to you guys.

Mr. Anella: I think what he has is perfect.

Mr. Melloh: I will work on getting something appropriate there.

SEVENTH ORDER OF BUSINESS

Treasurer's Report - Consideration of Financial Statements

Mr. McCarthy: I just want to bring something to your attention and as you know Wells Fargo has had some problems. Jason has a recommendation that we do something regarding that.

Mr. Showe: We have some of the District money in a Wells Fargo account in the General Fund and some of the Assessment money comes from there and we pay checks from

there. There haven't been any violations that we've seen and we're audited every year and we are 100% insured on all of our funding. I wouldn't leave my money in there personally so I wanted to recommend to you guys if you felt amenable that we could move that money into the Regions account and use the Regions account versus using the Wells Fargo. We don't have an issue either way but we did want to give you that option in case there were some concerns.

Mr. Fritsch: It simplifies us having to sign one more check to move it, which has always been silly anyways.

Ms. Walsh: FDIC only insures accounts with \$100,000 so if we have \$500,000 between three accounts they are only going to give us that for \$100,000. That is the only issue for with having all of your money in one bank.

Mr. Showe: It is really a Board preference and we wanted to make sure you guys were aware of.

Mr. Anella: I don't know how much the exceed limit is today it used to be \$150,000 but did it go back to the \$100,000? The FDIC you would imagine would be at this stage and I would say that we should not exceed that.

Mr. Showe: I think as a Governmental Entity there is also some additional insurance we can get.

Mr. Anella: As long as we do not put the resident's money at risk.

Mr. Bedwell: I would just check and make sure what the limit is and bring it back at the workshop.

Mr. Fritsch: We have signed checks for \$1,000,000 and what account is that coming out of? Is that at risk to the other \$100,000?

Mr. Showe: I will double check on that. Ariel said that we are 100% insured on all of our funds.

Mr. Anella: We have an Operating account.

Ms. Walsh: It says \$250,000.

Mr. Showe: The only thing we write out of the Wells Fargo account is some General Fund checks.

Mr. Bedwell: So the Reserve is at Regions?

Mr. Showe: I believe so. We got the Regions account because of the line of credit that we opened up there. I will find out and report back to you at the workshop.

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 \$143,515.56 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 \$2,853.35 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 \$67,249.63 was approved.

2. Balance Sheet and Income Statement

Mr. Anella: I'm just curious about the Attorney's fees increasing this year.

Mr. Showe: We had them review several of those agreements especially the leases that we had and that is one of the reasons we've used them as little as possible. We use them as limited as possible and the one thing that we benefited from is we had Tim use that Lease agreement that we drafted with the attorneys for the new equipment so they basically used the same instrument that we've already gone through the legal process with.

Mr. Anella: Is Environmental Services coming out here again before the end of the Fiscal Year? We are in good shape with that.

Mr. Melloh: Chris was just here two days ago.

Mr. Anella: We will be getting a bill for that of \$20,000.

EIGHTH ORDER OF BUSINESS

Supervisor's Request

Mr. Anella: Did you talk to Paul about Lane?

Mr. Melloh: We briefly discussed it some. We will bring that up at a later time.

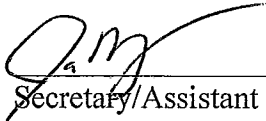
Mr. Anella: Anything with the golf cart lady?

Mr. Melloh: Not yet I tried to call her but I will try again.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Walsh, seconded by Mr. Bedwell, with all in favor, the meeting was adjourned at 6:35 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman