

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, November 16, 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
Bob Fritsch	Treasurer

Also present were:

Jason Showe	District Manager
Tim Melloh	General Manager
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 being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Minutes of the October 26, 2016 Meeting

On MOTION by Mr. Anella, seconded by Mr. Bedwell, with all in favor, the minutes of the October 26, 2016 meeting was approved.
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FOURTH ORDER OF BUSINESS

Unfinished Business

C. Consideration of Resolution 2017-01 Regarding Golf Equipment Lease Agreement

Mr. Showe: We are still having a little back and forth with between the Attorney for the District and for DLL with this lease agreement. The last issue that I think we have left to deal with is they are not going to subordinate their lease payments to prioritize the debt service first. District Counsel wanted to make sure that's something they seem unwilling to do at this stage and I think it really only impacts the District in the event that we stop making payments. District Counsel just wants to make sure that if we approve the agreement that's something that they have a concern with.

Mr. Bedwell: Their lease comes in front of the debt service?

Mr. Showe: They are saying they are not going to stand behind the debt service. I think they have already agreed to the other lease as part of the Master Lease.

Mr. Bedwell: How much is it per year or month?

Mr. Melloh: It is \$5,000 a month so \$60,000 a year.

Mr. McCarthy: Will the lawyers work this out on both sides?

Mr. Showe: We presented you today with a revised lease that has the language in it that was recommended by Counsel that says they will subordinate and they told us they are not going to agree to that. If the Board is willing to move forward with that knowledge that they are not going to subordinate we would recommend approval of the Resolution in substantial form to allow the Attorney's to craft all of the documents to line up with one another. They do not want to create any confusion. The Attorney's are pretty much ready to go they just have to work out a few points.

On MOTION by Mr. Bedwell, seconded by Mr. Anella, with all in favor, Resolution 2017-01 regarding Golf Equipment Lease Agreement was approved in substantial form.

B. Consideration of Resolution of 2017-02 Regarding Utility Vehicle Lease Agreement

Mr. Showe: This is an addendum to the Lease Agreement that you have already approved and it is with the same financing company. They are essentially attaching their lease to the original so they have already agreed to all of the terms.

On MOTION by Mr. Bedwell, seconded by Mr. Anella, with all in favor, Resolution 2017-02 regarding Utility Vehicle Lease Agreement was approved.

C. Discussion of TVC/FDOT Property Transfer

Mr. Showe: We are getting input from all of our experts so we are just trying to check everything. I believe that we will have some documents ready for you at the next workshop.

FIFTH ORDER OF BUSINESS

New Business

Mr. Melloh: I have given you a packet with a quote from DonBo concrete contractor. If you look at the three pages behind that you will see that the clubhouse cart path into the parking lot is in need of renovation. We are proposing to remove that tree that is in the middle there and all of the roots, and replace 900 square feet of concrete in that area. We are going to also take out part of that curb so that we can make this two-way traffic into the parking lot. We are going to enhance the landscape because it is a highly visible area.

Mr. Fritsch: Are you going to eliminate that piece of concrete that we have always tried to block off?

Mr. Melloh: We are going to take out that curb at the bottom and make that another pathway out into the parking lot so carts can use it both ways. Where we take the tree out we are going to leave a little area for a planter so we can plant some shrubs or something.

Mr. Fritsch: Keep in mind the reason that we block that off originally is because we would have people come down there and turn on the sidewalk and drive up to park by the clubhouse.

Mr. Melloh: I looked at it and said let's take the curb out and make it a ramp so that they can go back into the parking lot and then what we can do is make sure they do not take a right hand turn to go up in front of the clubhouse.

Mr. Fritsch: We can move one of those planters.

Mr. Melloh: We can put the planter over there for sure. The concrete is \$7,450 and we got a quote from Green Leaf to remove that tree and grind the stump for \$600. We are looking at a little over \$8,000 and I would like a not to exceed \$8,500 so that we can do a little landscaping in that area. We will do a root prune because there is another tree right next door to it that we are going to do a root prune on and put a biobarrier down in there so that the roots do not grow into

the concrete so we don't have to do this again in five years. Then we will want to go back in and enhance the landscaping in that area and put in some signage.

Mr. Bedwell: This is fine with me. I have no problem with it.

Mr. Melloh: We are going to pour that pad which is a 6 inch depth because we do have equipment like fairway units coming through there so we want to pour that thicker.

Mr. Fritsch: You might ask the concrete guy if they are having good luck with fiber in the concrete. Are they going to tear out all the way for that price?

Mr. Melloh: Yes.

Mr. Anella: I am okay with it.

Mr. McCarthy: I am also okay with it.

On MOTION by Mr. Fritsch, seconded by Mr. Bedwell, with all in favor, to move forward with the project at the entrance of the golf course with a not to exceed amount of \$8,500.

SIXTH ORDER OF BUSINESS

Staff Reports

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

Mr. Melloh: Two of the employees are attending a class tomorrow for the chemicals and to get their points for their spray license.

Golf Operations Report

Mr. Melloh: We have over seeded all of our green complexes, which is really everything around the green except for the greens themselves and the collars. We also over seeded all of the par 3 tees. Scott and his crew just started this morning putting out our fall fertilizer for the full course and it has a little odor to it. I also have the rounds report for November and to date we are in good shape. We are averaging 103 paid rounds per day with a budget of 88 so we have exceeded that. We are at \$3,300 average per day and cart and green fee revenue is roughly \$600 over budget per day. We are looking really good and business is very good. If you get a chance to look over the financials from October you will see that you did really well. Are there any questions?

Mr. Bedwell: There is a leak again when you come around hole #14 to go to #15.

Mr. Melloh: That is not ours and it belongs to M&M. It is the reclaimed water so whenever they are running reclaimed water they have to go out there, not us, and turn that valve key on and off. One of the first things I did when I got here is replaced that piece of concrete and they have said they have to dig that up to repair that leak.

Mr. Bedwell: I had that problem at my house and it was Brevard County's problem.

Mr. Melloh: It is down to reclaimed water on the Homeowner's Association but we have told them they have to turn it off and if it undermines the concrete again they have to pay for it. Hopefully they dig that up soon.

Mr. McCarthy: For the month of October we had a fantastic month and we actually made money. We are off to a very good start for November and part of it is the work that Scott, Kim, and the Board did getting new greens in. Mr. Anella, Bob, and Joe were very proactive in terms of the money they built up in the Reserve Fund that gave us the opportunity to create a whole different situation here at Viera East. Tim is to be complimented also the marking and different things that he did that increased the revenue and the rounds. We're off to a strong start and I'm very happy about that.

Mr. Melloh: We received our first check from Divot's Grill for the 4% of sales in October in the amount of \$726.91.

Mr. Bedwell: That is not in the October financials.

Mr. Showe: We didn't receive it until November so it's probably not recorded.

Mr. Melloh: It will probably always be one month off.

Mr. Anella: What account is it going into?

Mr. Melloh: There is a Restaurant Revenue account that we will put it in and keep track of that separately as well.

Mr. Bedwell: We received \$464 in revenue in the restaurant this month.

Mr. Melloh: Yes because we do take some of the credit book sales and apply it to that because some of the people do use their credit books over and we've allowed that.

Mr. Bedwell: What is 4% divided to get \$726.91?

Mr. Melloh: It was around \$18.50 and I have that number she gave it to me. I will put that in your box and she is going to now give that to me by the 10th of each month.

Mr. Bedwell: Does she do her own accounting and posting transactions?

Mr. Melloh: She does on a monthly basis but I think the contract calls for her at the end of the Fiscal Year she has 60 days to give us an audited report. We talked about Inez coming on full-time and she has accepted a position so she is full-time at the CDD office Monday through Friday and she is doing a great job there.

Mr. Bedwell: What are her hours?

Mr. Melloh: About 7:30 a.m. to 3:00 p.m. and sometimes 2:30 p.m. if she doesn't take lunch.

SEVENTH ORDER OF BUSINESS

Consideration of Financial Statements

Treasure's Report

A. Approval of Check Register

On MOTION by Mr. Fritsch, seconded by Mr. Bedwell, with all in favor, the General Fund check register in the amount of \$17,538.65 was approved.

On MOTION by Mr. Fritsch, seconded by Mr. Bedwell, with all in favor, the Golf Course Fund check register in the amount of \$81,730.34 was approved.

B. Balance Sheet and Income Statement

Mr. Showe: We've also provided you with hard copies of the financials. We will try to get those out as quick as we can but the months where the meetings get moved up makes it difficult.

Mr. Anella: What was the \$50,000 that came out of the Reserves this month? I thought we talked about it at the last meeting.

Mr. Showe: It is coming into the Golf Course Fund. It may have just been there without those Assessments coming in just yet.

Mr. Melloh: Our big amount of money isn't coming in until December from October.

Mr. Bedwell: Do we have enough money in the Operating Account, the General Fund, and the Golf Course Fund?

Mr. Showe: I will have the accountants check through that to make sure.

Mr. McCarthy: We have two Board members that this is their last meeting.

The Board members all give their thanks to Mr. Anella and Mr. Fritsch for their service on the Board.

EIGHTH ORDER OF BUSINESS

Supervisor's Request

Mr. Bedwell: What would roughly be the cost in the future to put white sand in selected bunkers around the greens? I think with this over seeding around the greens and white sand would really put the hurt on Baytree and I think it would look magnificent.

Mr. Melloh: We did put in about \$12,000 worth of sand when we were doing construction. We have the size of all of the bunkers now and I estimated to put 3 inches of sand in all of the bunkers is around \$30,000. Our issue here is a load of the G angle sand is about \$300 and the delivery of the sand is about \$300 so to get one truck load of sand is \$600. You are talking about a load and a half per bunker to get everything in there proper. We did put sand in several of the bunkers and unfortunately the winds that came with Hurricane Matthew blew some of that out.

Mr. Bedwell: I was just thinking of the dramatic impact the look would be during the snow bird season that is coming up and I don't know if it would be a payback just like when we over seeded the fairways.

Mr. Anella: We ended up with \$200,000 in the Reserve and we did very well with that. You have that kind of money so you guys need to make that determination.

Mr. Fritsch: We have made so much improvement to the golf course and the financials are strong. Why don't we let everything settle and then see where we are? That gives you a something to do next year when you've got the funds. When I first came here they replaced all of the sand with white sand and all of the bunkers and you couldn't get out of the bunkers. The main thing is when you go to replace that much sand we lost all kinds of sidewalks and cart paths because of the big trucks.

Mr. Melloh: There are two folds for the bunker liner and it helps keep the sand white. It doesn't get any kind of migration from the dirt below but it also helps keep the sand in place. We have some pretty big faces here but we also have a lot of high winds. You can go look at some of these bunkers that we are talking about and you can see where the wind whips that sand out of there. It is a tough thing and I think there are some bunkers that we could augment a little

with only for the playability of it but as far as aesthetics go to get them all looking white would cost about \$30,000.

Mr. Bedwell: The G angle sand must be better because hitting out of the bunker on #8 and #10 is not soft like the previous. It is a different consistency and it is easier to hit out of.

Mr. Melloh: That is what a lot of golf courses on the tour use and it is a little bit more expensive type of sand. Even our course at FSU you have to augment the sand every year on a regular basis to keep it level and if you go years without replacing the sand then you get sand deficient and it cost you a lot of money at one time to do it.

Mr. Anella: Is the \$30,000 the overall total?

Mr. Melloh: No that is just the raw material for the sand.

Mr. Anella: What would it be with that?

Mr. Melloh: In the two small bunkers the fabric cost us \$1,500 on #8 and \$1,800 for #10.

Mr. Anella: When we did the greens the overall planting, maybe you need to get an overall plan with a couple of options maybe with or without. You need to do that before you make that decision and if you were going to do it, it would be nice to have that fabric.

Mr. Melloh: We did put \$50,000 in the maintenance so next summer if we are well ahead of the game and we can spend that money then we will identify some bunkers to redo.

Mr. Bedwell: You would have to do a few each year.

Mr. Fritsch: We have three greens that are real visible from the road and I would think that would stand out there.

Mr. Melloh: Hole #16 is the first bunker on the list that we would want to do something with next year.

Mr. McCarthy: Tim and Scott have a plan for going forward and it is all depending on revenue. The #8 and #10 renovation was so well received I haven't heard anyone complain about it and I think that is the direction that we want to go. We want to try and make our bunkers smaller and more playable. He may have a different opinion but I know that Tim wants to go down and take a look at Harmony and see the work that was done down there. They decreased the amount of bunker space by about 80% and that is the direction we want to go.

Mr. Melloh: I would like to see how they did it and how it makes the golf course look. The bunkers are there for aesthetic reasons as well but yet they are kind of out of hand. I talked to Tom Trammel about this a little about if anyone has done a study and just because you shrink

the bunker down doesn't mean that all of the expense of maintenance goes away, you just change what you do. I would like to see if anybody has done a study of how much sand you put in that portion of the bunker, how much time is spent to rack that versus mowing that, and we do have to spend a little extra on fertilizer to fertilize the sod that we put in there. We have to keep pesticides on it so it is not really a dollar for dollar savings but there is probably a little bit. We probably do save some money but then you have to factor in the cost of actually doing it. I look at it more from the playability because most people do not care about the maintenance part of it.

Mr. Anella: I played Monday for the first time in months and it was amazing coming up on #1 and I didn't have a bad hole. The pressure is off you a little and also on #8 slimming it down made it a more relaxing time.

Mr. Melloh: There is going to be some savings but you wonder how much it actually is. It's really about the playability of the golf course and that is where the money comes in now because people love what we did.

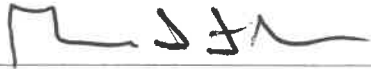
Mr. Fritsch: You should take a couple of Board members to play Harmony. They will remember when it was tough.

Mr. Melloh: Scott and I went down when they were in the process of redoing all of that and they were not bringing in any fill dirt. What we have accomplished and the vision I had for the contractor is I don't want it to look like there used to be a bunker here. Down there they weren't taking that approach they were just filling in the bunker but I want to see what they've done. If you see a bunker that was carved out and all it is now is sod where sand used to be in the bunker it just doesn't look good. Then you question if the playability of the hole is that much better and I guarantee most people would not even realize that it wasn't like that from day one.


NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Fritsch, seconded by Mr. Anella, with all in favor, the meeting was adjourned at 2:41 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman