

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 on Wednesday, March 28, 2018 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
William 'Bill' Oakley	Secretary
Jo Walsh	Treasurer
Melinda Thomsen	Assistant Secretary

Also present were:

Jason Showe	District Manager
Tim Melloh	General Manager
Hannah Smith	GMS
Inez Campos	Viera East Golf Club

FIRST ORDER OF BUSINESS

Roll Call

Mr. McCarthy called the meeting to order at 2:00 p.m. All Supervisors were present at roll call.

SECOND ORDER OF BUSINESS

Public Comment Period

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Minutes of the February 28, 2018 Meeting

Mr. McCarthy: We need a motion to approve the minutes of the February 28, 2018 meeting.

On MOTION by Mr. Bedwell, seconded by Ms. Walsh, with all in favor, the Minutes of the February 28, 2018 Meeting, as presented, were approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. General Manager's Report

Mr. McCarthy: We have two guests here. Everyone knows Inez, who is the Administrative Assistant for the organization. Hannah Smith works for GMS. She operates out of Tennessee and is currently working with the Orlando office. Tim thought it would be a good idea to bring her down here so we can meet her. I will turn it over to Tim at this point.

Mr. Melloh: Thanks for being here. I asked Hannah to come to a meeting, so that you can meet her, and then we can have a discussion about how the financial statements are prepared. Hannah processes the invoices and checks, in coordination with Inez. She also deals with the auditors.

Ms. Smith: I've actually worked on Viera East for about five years, completing a lot of budgets and audits. When Brenda Wright left, I took over everything. I feel like between Tim and Inez and myself, we have a good system. We process accounts payable every week and speak every single day. We feel confident taking over everything. We just completed the audits. The Board has a copy of the draft, which arrived this morning, so the next big project, is the Fiscal Year 2019 budget, which is coming up next month. Within the next few weeks, we will have a first draft of our proposed budget. Then there will be a new fiscal year. I have been the full time District Accountant for almost a year now and its worked out well so far.

Mr. Melloh: Its worked out very well and that's why I wanted you here. Inez is a part of it too. You are a big part of the team behind the scenes. Inez is a big part of the team, but is more visible. We get things done so well and you guys too. When I worked for the Florida State University, it took five different departments and 30 people to do the same job. Inez processes the payroll and invoices and gives them to Hannah. Then you print the checks, I sign them on Thursday or Friday and Inez gets them in the mail.

Ms. Smith: We have a strict system.

Mr. Melloh: The separation of duties is great. I didn't know if you had any questions about our process.

Mr. Oakley: Do the auditors come to your office in Orlando or do you send them a database?

Mr. Smith: Basically, I provide the general ledgers and things like that, and then they come back to me with their specific questions and internal control tests, but they never ask to meet the person. I deal with them virtually. They send me their request. Inez is a big help with that. She provides past records. We generally work through emails and phone calls.

Mr. Oakley: Have we used the same auditor for several years?

Mr. Showe: Yes.

Mr. Oakley: They went over there once. There was a separation of duties between revenue and payables.

Mr. Showe: They will occasionally show up and look through records on certain Districts, but it's not frequent.

Mr. Oakley: I know.

Mr. Showe: Sometimes they show up to our office to see the operation and how things are working. It's all virtual now.

Mr. Oakley: That's the way most of them are.

Mr. Melloh: One of the big projects that Inez worked on, was getting all past records. Some of them go back to 1994. We have a big room full of boxes stacked from the floor to the ceiling with no labels and drawers and file cabinets inside of the office. It was ridiculous. She spent many months going through the files and created an area in the office area where we had some file cabinets. We took the storage room inside the cart barn for the older files. That was a mess. We cleaned that out and put some shelving in there. Sometimes she has to go into that room and dig through a box to find a file, but because of the work that she's done, she's able to do it.

Ms. Campos: Its more in order and easier to track.

Ms. Thomsen: It sounds a lot more in order.

Ms. Campos: I can actually discard boxes. We heard that we should retain them for 10 years.

Mr. Melloh: Yes.

Ms. Campos: I have it all labeled. If you ever want anything, like the financials or the budget, feel free to let me know. I tried to organize them in a format that would be better for you. I'm just letting you know.

Mr. Oakley: Is all of the information that you had in the warehouse backed up on the cloud or is it hard copy?

Ms. Campos: As far as all the records?

Mr. Oakley: Yes.

Ms. Campos: There are copies that I keep electronically. I have a cloud on Google Drive where I keep every invoice on.

Mr. Bedwell: So its stored in more than one place?

Ms. Campos: Yes. We have a very large Google Drive.

Mr. Showe: All invoices are kept in a file that goes on a different server.

Mr. Melloh: Inez has all of the hard copies.

Ms. Campos: There are still documents in the cabinets that I haven't started yet. I won't throw those out.

Mr. Melloh: We have large bond books. I don't even know who reads it, but it's there and official.

Mr. Showe: When we issue bonds, someone reads every word.

Mr. Melloh: Moving on to the report, we have our normal day-to-day operations. We cut the fire line in Herons Landing. We talked about the ride along with Ed. We need to get Linda scheduled for that. We will find a day that's good, because Ed is available any day, except Saturday and Sunday. If anyone wants to go back out, let us know. There is good news with the rounds. March is our busiest month, historically, and this month is no exception. Last year in cart and green fees, we made \$160,000. This year our budget is \$171,000. Through 27 days, we are at \$158,000, and by the time we finish up the month, if the weather holds out, we should be at \$180,000. It's been a very good month for us, actually the best month ever. Always remember that there is merchandise and driving range sales and money from memberships. Everything is good. We had our ABCD Scramble yesterday with roughly 80 players. It looked good. People look forward to that, even though we take some hit with our revenue, but not much. It's well worth it, because people like it. We don't do it in February, because we can't get as many people on the golf course when we have that large of a shotgun start.

Mr. Oakley: You have more sunlight now, which will help you.

Mr. Melloh: Yes. That's why March is so much better. We are up in the air because Florida is considering year-round Daylight Savings Time. I can't determine if that will help us or hurt us, because there are going to be times of the year when it won't be light out until 8:15 a.m. or 8:30 a.m.

Ms. Thomsen: That's 45 minutes that we will lose revenue.

Mr. Melloh: We get more rounds later in the day. In December, some people can tee off later in the day and play longer, but the higher dollar rounds of golf are in the morning.

Ms. Walsh: We could adjust the morning rates.

Mr. Oakley: It doesn't go into effect unless the Federal Government approves it. It's not going to happen.

Ms. Thomsen: Arizona and Indiana never changed to Daylight Savings Time. I wonder if anybody has ever called up any of those golf courses and asked them how it affected them.

Ms. Walsh: What time is their morning?

Mr. Melloh: Indiana would not be a good example, because they are snowed in. It must be hard. When they say that the Superbowl was 6:00 p.m. Eastern Time, it's really 5:00 p.m. for Florida. It will all straighten itself out. We will see how that works. Also in your agenda package is the equipment log or list, which Inez has been working on. Between Inez and myself, Ed Grasser, our mechanic Bruce Mossey, Assistant Superintendent Wes and Superintendent Scott Everly, we did an in-depth look at all of the equipment. Inez spearheaded that and put a lot of hours into it. She actually has a book with pictures of every piece of equipment that we have. We discovered that we had several pieces of equipment that was on the insurance list that was out of service and received some credits back. We had to put the new Pump Station on it and received an invoice. When all was said and done, we paid a few hundred extra dollars, because we had to put the big Pump Station on there and get that insured. We got some new equipment a few months ago. It's all CDD equipment. We will divide the equipment into CDD maintenance equipment.

Mr. Showe: That's for insurance purposes. There's a General Fund Policy and Golf Course Police. Between the two, we have about \$185,000 worth of equipment, but on the golf course side, there's roughly \$1.3 million worth of equipment with the fairway units and other equipment that we use on the golf course.

Ms. Thomsen: This is the first time we had an inventory history.

Mr. Melloh: We had it.

Mr. Showe: We go through it every year, but this is the first time they reviewed it.

Mr. Melloh: This isn't something from scratch. There was a big disconnect between the description on here, versus the actual description. As an example, apparently the CDD purchased the gray utility boxes on the golf course that runs the irrigation system. Those were on the list as Lift Stations. A Lift Station is something that you associate with a sewer. These are actually irrigation control boxes. Inez took pictures of all equipment, wrote down their serial numbers and if the equipment was leased or owned. If something is missing, we can use this if we ever need to file a claim.

Mr. Showe: If the description is appropriate, then there won't be an issue when you file a claim.

Mr. Melloh: You can see that we own quite a bit of equipment and lease some.

Ms. Campos: The first list of numbers is on the Insurance Policy. I sent them my list so they could compare it. We found that a couple had inverted serial numbers and were able to coordinate that.

Ms. Thomsen: That is impressive detail work.

Mr. Melloh: We have a great Insurance Company. Luckily, the large pieces of equipment that we lease will be separate for the next couple of years. The next piece of equipment we will lease would be the golf carts.

Mr. Oakley: Is the leased equipment insured through this Insurance Company?

Mr. Showe: That's required as part of the agreement.

Mr. Melloh: We have to show them that it's on the policy.

Mr. Showe: They are insured differently, but we have to provide the insurance per the agreement.

Mr. Bedwell: What is the minimum value of an item that is going to appear on this list?

Ms. Walsh: I saw one for \$550.

Mr. Bedwell: I don't know if some has been depreciated.

Mr. Melloh: We are not going to put a \$1,100 computer on here. I don't know if there's a set value.

Mr. Bedwell: I just wondered if there was a set value that you came up with arbitrarily.

Mr. Melloh: I came up with \$4,000 or \$5,000.

Mr. Bedwell: For example, will the grinder that we use for the sidewalks appear on this list?

Mr. Melloh: No. Why insure something that we can buy. Does anyone have any other questions on that? If not, that concludes my report.

Ms. Walsh: I have a question. Did we find anything that we need to surplus?

Mr. Melloh: All of that's been done. As things come up, we will do that individually. We surplused a lot of items. We already surplused the old irrigation that Lanier has for us. They are trying to contact some people that may want to buy that from us.

Ms. Thomsen: You've been doing all of that since you started the sprinkler system. As you renegotiated the leases, you said that we had extras and you were going to do something with it.

Mr. Melloh: We will try to get some money out of it.

Mr. Bedwell: Where are we with the potential pump sale?

Mr. Melloh: It's not something that you can put on Craigslist. Lanier deals with pumps all the time and have a golf course that they think may want it. I haven't heard back from them.

FIFTH ORDER OF BUSINESS

Unfinished Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

New Business

A. Review and Acceptance of Draft Fiscal Year 2017 Audit Report

Mr. Showe: We just received the Audit this morning. Page 23 is the Report to Management, where they check everything that statutorily they are required to check. You will note that there are no current year findings and no prior year findings. All of the bullet points that they are required to look at, statutorily, are all clean. Everything is exactly the way we would want it. It's a clean Audit. I know that you just received it today, so you can take the next two weeks and provide me comments between now and the workshop. If we can get approval in substantial form, you can submit your comments after the workshop, so we can get it transmitted.

Ms. Smith: On Page 10, there were some formatting errors. It was a good year. They asked some hard questions. Inez worked hard to try to get it done.

Mr. Showe: If the Board is amenable, we need a motion to provide two weeks for the Board to provide any comments, make whatever changes are needed and for management to submit in final form to the State to ensure that the District was in compliance.

Mr. McCarthy: Do you want to do it at the workshop?

Mr. Showe: I would like to get the motion now, to allow us to do that, since you can't make a motion at the workshop. Two weeks should be adequate.

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, allowing the Board two weeks to review the Fiscal Year 2017 Audit Report, provide comments and authorizing District Management to transmit to the final report to the State, was approved.

Ms. Walsh: Hannah, are you going to email the auditor?

Ms. Smith: Yes, to ask them for a revised audit.

Mr. Showe: Most of it is their standard language. I don't think there's anything specific to Viera.

Mr. Oakley: Will the blue book in September match this?

Mr. Showe: The blue book probably won't match, because it will not have invoices that arrived past September 30th.

Mr. Oakley: So there's no way to reconcile it.

Mr. Showe: We have a final financial statement that we can send to you.

Mr. Oakley: They didn't change any numbers on the balance sheet.

Mr. Showe: No, they take ours.

Ms. Smith: The only changes to the balance sheet, is if something needed to be adjusted with the depreciation. There might be some minor changes there. I looked at all the entries and there wasn't anything drastic.

Mr. McCarthy: I met with John Gates today who is in charge of the Viera East HOA. He will periodically come into the neighborhoods and check in on the weekend. He noticed that the parking lot was full on Sunday, as a result of Divots having 150 people for a party. It was extremely successful and well received. They did an excellent job.

SEVENTH ORDER OF BUSINESS

Treasurer’s Report – Consideration of Financial Statements

A. Approval of Check Register

On MOTION by Ms. Walsh, seconded by Ms. Thomsen, with all in favor, Checks #3287 through #3304, from the General Fund, totaling \$109,144.33, were approved.

On MOTION by Ms. Walsh, seconded by Ms. Thomsen, with all in favor, Checks #25413 through #25487, from the Golf Course Fund, totaling \$102,151.66, were approved.

B. Balance Sheet and Income Statement

Mr. Showe: We distributed the Balance Sheet and Income Statement. No action is required by the Board.

EIGHTH ORDER OF BUSINESS

Supervisor’s Requests

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Walsh, seconded by Mr. Oakley, with all in favor, the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman