

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, January 23, 2019 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	Assistant Secretary
Jo Walsh	Treasurer
Melinda Thomsen	Assistant Secretary

Also present were:

Jason Showe	District Manager
Tim Melloh	General Manager

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. McCarthy called the meeting to order at 2:00 p.m. All Supervisors were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. McCarthy: No members of the public are present.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes of the December 19, 2018 Meeting**

Mr. McCarthy: Next is the approval of the minutes of the December 19, 2018 meeting. Are there any comments, questions, or changes to the minutes?

On MOTION by Mr. Oakley seconded by Ms. Thomsen with all in favor approving the minutes of the December 19, 2018 Board of Supervisors meeting were approved as presented.
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**FOURTH ORDER OF BUSINESS**

**Ratification of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2018**

Mr. McCarthy: Next we are going to vote to ratify the agreement with Berger, Toombs, Elam, Gaines & Frank for the auditing services for Fiscal Year 2018 not to exceed \$7,050.

On MOTION by Ms. Walsh seconded by Ms. Thomsen with all in favor, the Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2018, was ratified.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. General Manager’s Report**

Mr. Melloh: We got the fire line cut. We were scheduled to go out Tuesday and Wednesday for the burn but the winds got too high. It should happen any time now, because we have everything prepped in the field for it. We bought some signs to put up at four different locations that says “Controlled Burn Today” because if people see something on fire they will call the police. When we have a better idea of when, Bill I will send it to you and you can put it out on Neighbors to Neighbors. Can you do that?

Mr. Oakley: Yes, I can.

Mr. Melloh: I just want as many people as possible to understand it is a controlled burn and it’s not the woods on fire. We are getting close and they are getting ready to do that. On the golf course maintenance side, we are still in the process of doing the in house bunker repair on number 3, we’re actually reconstructing the whole bunker. That process is slow going because it is in house and we don’t want to shut the hole completely down. We’ve been having some back 9 starts to get the guys some time. There are just a lot of steps, taking out the dirt and sand in the bunker and rebuilding it and reshaping the bottom, putting a drain in it, then going back to the clubhouse and getting rid of that dirt etc. It’s just time consuming. That’s why it is hard for us to do more than just a couple of them a year. The thought of having to do 65 bunkers in a year’s period of time, we just don’t have the equipment or manpower to do that. Of course, this has no liner in it.

Ms. Walsh: Didn’t I see some big roll? Was that a pipe?

Mr. Melloh: Yes, that’s pipe. There’s not a liner going in on this one. They should get this knocked out soon, it’s about 85% of the way done. I reported in the past about an irrigation

power wire that we had go out on us that we had to have go back across from the middle of number 18 fairway across the driving range and over to the number 1 tee, about 800 feet. At that time, I gave you guys an estimate of about \$8,500 for that repair. Luckily that was done for \$3,600. We do still have to pay the person out here, so that may be another \$900. It was significantly less though. The people who have done a lot of work for us, they were able to come do that for us. The wire alone would have been \$4,000, so for it to be \$3,600 for all of it that shows the contractors can get better pricing on wires. That expense is just normal irrigation repair.

Mr. Bedwell: So, it's going to go in the irrigation drainage expense line?

Mr. Melloh: Yes, exactly.

Mr. Bedwell: We've only spent \$5,000, and we've got \$34,000.

Mr. Melloh: Yes, that's right. Now let's review the rounds of golf. For the first 22 days, we're doing really well. We've had a little bit of weather, but to show you how bad of weather we had last year in the first 22 days we've exceeded what we did all of last January. So, it looks like we are doing really well. The rounds of golf are up, we're having some pretty big days. Does anyone have any questions about the rounds and the revenue?

Ms. Thomsen: We were kind of surprised when we were watching out the back window, that Monday wasn't great. The weather wasn't too terribly bad.

Mr. Melloh: It was very windy and chilly on Monday. It was 31 degrees when they started off on the first tee time. I have an update for you on the golf cart that was stolen out of the maintenance facility. The insurance is going to cover that expense. We've been working with the leasing company and the insurance company. The golf carts were a little bit more then, so we will be able to pay off the golf cart and have \$700-\$800 extra. Now we're coming off the lease, so the lease will only be paying for the four carts instead of 5.

Mr. Oakley: Did we have to meet a deductible?

Mr. Melloh: Yes, \$1,000.

Ms. Thomsen: Did we notify the police?

Mr. Melloh: Yes, absolutely, they filed a police report.

Ms. Thomsen: I was wondering if they would be in touch with local painters that could paint the golf cart so it doesn't look like the one we had.

Mr. Melloh: That's a good point. That same time Duran had something stolen from their facility too. I think they recovered theirs. If I had to guess, it got put on a trailer and went to Jacksonville where somebody sold it. It's just unfortunate.

Ms. Thomsen: They probably have some kind of a vehicle identification on it?

Mr. Melloh: Yes, it has a serial number on it and our sticker on it. We've taken measures to make sure we're not keeping the key in the vicinity of the carts. Hopefully that won't happen again.

Mr. Oakley: Do you have a security system on that building?

Mr. Melloh: Yes, there is one on the building.

Ms. Thomsen: That golf cart was kept out of the building.

Mr. Melloh: Yes. We have two quotes here, just from talking about the future renovations and future projects at the golf course. The first one is from Barnett Fronczak Barlowe & Shuler Architects, they are out of Tallahassee. They were going to come up with a conceptual plan to renovate the clubhouse and provide the things we need, as far as a large kitchen, better bathroom, redoing offices, redoing the staging, etc. We're never going to know what we can do if we don't have an architect tell us what we can do, and then take it from the conceptual design phase to an estimate phase. If we did the whole thing through the end, from the conceptual phase to the cost estimate, it would be \$19,070. These guys are very good architects out of Tallahassee.

Mr. Oakley: Have you worked with them before?

Mr. Melloh: Yes, I have worked with them before. Doug Barlowe would be the person designing that and I've worked with him on several projects. He's a very good architect. They do quite a bit of work with Florida State University, I know Doug himself has redone and redesigned the Leon County Civic Center. It's a 12,000 seat arena, and he redid the whole thing.

Mr. Oakley: This will include reconfiguring the kitchen?

Mr. Melloh: Yes. It includes all the conceptual designs of everything we talk about. It includes some trips for him to come down and meet with the Board and discuss some things.

Mr. Bedwell: Has he done golf course clubhouses before?

Mr. Melloh: I think he's done a couple clubhouses before, but mostly he does redesigns and remodels of buildings and schools. I encourage you to go online and look, they have interior designers on staff and they've done some very nice stuff.

Ms. Thomsen: Do we have to go ahead and approve this?

Mr. Melloh: If we want to get some good solid pricing on this, and we want to do an assessment to cover a new bond. Jason and GMS will have to have solid numbers. It would be great if we could vote on it and get the process going. It is certainly up the Board, I brought it here to talk about it and see which direction we want to go.

Mr. McCarthy: Does anyone have any questions for Tim before we vote on it?

Mr. Oakley: This will come out of the reserves?

Mr. Melloh: Yes.

Mr. Showe: Yes, that's where it would come out of. I will let you know, as part of the discussion you had at the last workshop, we talked with our staff internally. We do have some bonding options. We went to the firm that did your last refinance, MBS, and they've started preliminarily looking at it. They think there are some options where possibly they can just wrap this new bond on the back end of your recreation bond, so that your bond payment will stay the same until the last ten years. It would still drop significantly, because this bond issue is less, but that way you wouldn't increase anyone's assessments. You would increase the length of time, but not the amount.

Mr. McCarthy: That's excellent.

Mr. Showe: There are some options. Unfortunately, because of the nature of the business, they won't provide us anything solid until the Board is amenable to have them bring an agreement to work on it. They've had some other issues where the Board starts talking about bonds, somebody else reads the minutes, and says 'here's our proposal.' Then they get pushed out. They are a great firm to work with, we have no issues with them. As Tim indicated, there is a process to go through. We need to get the Engineer involved, he'd have to write a report. Your attorney would need to review things. There are documents that GMS has to prepare. Those costs get paid out of bond closings, so there may be an opportunity that these costs could be reimbursable at a later point. I'm not guaranteeing that, but there is a possibility. At your next workshop, I can have MBS prepare a standard agreement for them to start working on it.

Mr. Bedwell: The recreation bond, is that the one that expires in 2026?

Mr. Showe: Correct. Because that's a recreation bond, you can only use it on recreation items which is most of what he has. The lake banks wouldn't qualify, but the majority would be covered.

Mr. Bedwell: I didn't understand us getting reimbursed.

Mr. Showe: Typically with bonds, if the District fronts costs that are associated with expenses, that could be attributable to the bonds. For instance you are paying for design services for things you are going to pay for with the bonds. There may be an opportunity, when the bonds are issued, to get reimbursed for the costs.

Mr. Bedwell: Okay.

Mr. Melloh: We would be able to possibly put the \$19,000 back.

Mr. Oakley: You're looking at around three months Jason?

Mr. Showe: It's a process. Our stuff would not take that long, but you have to do a public hearing, and we have to do a mailed notice to everyone in the District. You could time that hearing with your budget, but you don't have to. Typically, you have three years to spend the bond proceeds. So, even if you issue the bonds and you're not sure how you're going to spend it, as long as you have an Engineer's Report saying you have a plan, you're good.

Mr. Oakley: Tim, do we need to have anything in here as far as bulkheads are concerned?

Mr. Melloh: That's going to have to come under something else. We're getting some bulkhead people to come in, they're going to give us some ideas of what they can do structurally and aesthetically. Mine and Scott's vision is, if we're able to do the project, to do the irrigation system, the capillary concrete bunkers, and the bulkheads in one project at one time. So, when we shut the hole 14 down, it only needs to be done once. Everybody else can play the other 17 holes, so we'll still have revenue coming in. When they're done they'll move onto the next one. They'll probably start on the 5<sup>th</sup> hole and work their way back towards the pumphouse. It's all about coordinating. We would have to do an RFP, and in the RFP we would ask for contractors who can do irrigation and bunkers at the same time. We would coordinate the bulkheads with that. There are a lot of different options with the bulkheads.

Mr. Bedwell: I asked Tim to look at stone bulkheads, instead of wood.

Mr. Melloh: Yes, we're going to look at all of our options and ask questions.

Ms. Thomsen: About all this big stuff with the clubhouse, in your past experience Jason, do you think we will get a lot of flak for trying this?

Mr. Showe: You're going to send 5,000 letters out so you're going to have a lot of people here who really won't understand the letter, won't understand the impact, and we'll have to do some explaining. Again, I think that's part of the process and if you have a plan laid out you can explain it better.

Mr. Bedwell: What we're doing is ensuring the integrity and value of all the homes in the CDD for the next 25 years. We all know what happens when a golf course deteriorates, home prices drop drastically. Besides our judiciary job on the Board, it is our job to keep this a first class community. These are the things we've identified that need to be done.

Ms. Walsh: That's exactly right.

Mr. Melloh: And we can really dress up that park down there, it needs it. It's a very nice piece of property and park, but there's just very little there. There hasn't been much effort there throughout the years.

Ms. Thomsen: The golfers will be very happy because they're golfers, and hopefully the other residents will see the added value.

Mr. Melloh: When we go to do this, I'll have a PowerPoint presentation put together and we will show them everything, and what we're trying to avoid, etc.

Mr. Showe: And by the time they would pay for these improvements, which would be after 2026, the water bond is dropping off too. They'll already have seen a significant decrease in assessments by that time. The alternative for the Board, if you determine that you need to have these improvements, is you have to raise O&M assessments if you don't do the bond. That's an immediate hit right now, because you can't spread that out over ten years.

Ms. Thomsen: I want to clarify that we discussed at the last meeting, about the idea that these men have is not to build another Duran, but to build and improve the ability to use this place without overdoing it.

Mr. Melloh: That's why they are here, I trust them to be able to accomplish that. When we built the \$6,000,000 clubhouse at FSU, we worked with a company that was hired out of Tampa. They came back with the clubhouse, and they came back with extra stuff and it ended up being an extra \$800,000. We will avoid that.

Ms. Walsh: To Ms. Thomsen's point, we are trying to make Viera East and it's footprint a lot more usable. There is a lot of unused space and things that need to be upgraded and reworked. When the clubhouse was originally built, they weren't thinking 25 years down the road. They weren't thinking about the kitchen that we've had to put things in just so somebody can cook in there. We need to be more functional, there is so much wasted space.

Mr. Melloh: It's really more of a kitchenette.

Ms. Walsh: Yes, a half kitchen.

Mr. Melloh: It's small, and not anywhere near what we need to have.

Ms. Walsh: A lot of people would take pride in a new good looking clubhouse that they can bring their kids and family to. Right now, they take them over there because it's convenient. It's not something that is particularly attractive.

Mr. Melloh: This is the start, this is how we get the ball rolling. I know it's \$20,000 but I think it's worth it.

Ms. Thomsen: We're going to have to do it at some point.

Mr. McCarthy: Does anyone have any further questions from Jason or Tim? Does any Board Member have an objection if I suggest we bring this up to a vote?

Mr. Bedwell: No.

On MOTION by Mr. Oakley seconded by Ms. Walsh with all in favor, Architectural Drawings for the Viera East Clubhouse by Barnett Fronczak Barlowe & Shuler Architects for \$19,970, the motion was approved.

Mr. Melloh: The next proposal I have is a little less expensive. It's from an irrigation designer, Mike Prevost. We're looking to incorporate the irrigation we have to install at this point. We've already put in a pump station, so there are some things working in our favor. When it is designed well, it's more efficient and sustainable. Scott and myself met with Mike, and his feedback is \$8,500 for the design fee portion. He has made a comment to Scott and myself that he doesn't expect it to change. We are meeting with another designer on Friday, but this guy is excellent.

Mr. Oakley: Do his prices hold from 2017?

Mr. Melloh: That's what we don't know, he says he will but we don't have it on paper. I would recommend making a motion with a not to exceed of \$12,000.

Mr. Oakley: Once his design is done, whoever wins the bid is not going to have to go in and alter the design to fit their equipment, will they?

Mr. Melloh: They all have the same stuff. We'll have it designed the way we want it done, and Toro and Rainbow both have two way systems which is what we're wanting in the design.

Mr. Showe: We'll have to do an RFP on it, and by that point there may be other vendors that have it.

Mr. Melloh: Again, I would like to go ahead and vote on that so we can get the process moving so we can get to the finish line.

Mr. McCarthy: Are there any other questions for Tim before we vote?

On MOTION by Ms. Walsh seconded by Mr. Bedwell with all in favor, the Proposal for Mike Prevost to Provide Irrigation Design not to exceed \$12,000, was approved.

**SIXTH ORDER OF BUSINESS**

**Treasurer’s Report – Consideration of Financial Statements**

**A. Approval of Check Register**

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Checks #3514 through #3539 from the General Fund totaling \$1,779,616.66 were approved.

Ms. Walsh: There are no Capital Reserve Fund checks.

On MOTION by Ms. Walsh seconded by Mr. Bedwell with all in favor Checks #26336 through #26417 from the Golf Course Fund in the amount of \$67,644.41 were approved.

**B. Balance Sheet and Income Statement**

No action was required by the Board.

**SEVENTH ORDER OF BUSINESS**

**Supervisor’s Requests**

Mr. Bedwell: It was enlightening when Tim told me how much they saved the first month with the LED lighting.

Mr. Melloh: Yes, I’m doing a report on that. The bill shows in January that we spend \$779 less on electric than we did the previous January. My intent is to go three months with the data then bring it to you guys. Even with that, some of that was Decembers bill and not everything was installed yet.

Ms. Walsh: Thank you Paul for stepping in and signing checks for me last week. That’s all I have.

Mr. McCarthy: I think we are headed in the right direction, and I consider it an honor to serve with my fellow Board Members. I think we are doing something that is in the best interest of the CDD and I’m thankful to be a part of it. Tim is an excellent person to lead us forward. We

are going to have to make some very serious decisions, and people are going to have different opinions but that is all part of this.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Walsh seconded by Ms. Thomsen with all in favor the meeting was adjourned.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman