

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 27, 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	Secretary
Jo Walsh	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. All Supervisors were present.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. McCarthy: We have Mr. Zeigler here. Would you like to speak?

Mr. Zeigler: Yes, I would like to speak. Can you tell me when my three minutes is up?

Mr. Showe: Yes, I will.

Mr. Zeigler: I live on the course, and I'm almost 80 years old. I've been married 55 years and have three children. I've been a prepaid member here from 2010 until February 2018. I've played in groups five days of the week, and I'm out on the course practicing every evening. I still played three times a week after my membership expired, no one has been on this course more than me over the last ten years. My ban from the property for six months is a direct result, I feel, of an obvious concerted effort by Tim Melloh and Lane to punish me, embarrass me, assassinate character, and mental anguish. A warning letter dated October 2<sup>nd</sup> indicates a violation of course and range check in procedures, it was a total blind side. Not one word was ever said to me by

Tim or Lane. I begged and pleaded for details of why. What is range check in procedures? Lane had employees spying on me, and I have proof. When I approached him, no denial. Four days after I approached him, I got a warning letter but not one word was said to me. Tim told me and Paul McCarthy that six or seven people called in about me. I wanted to know what they called in about, when they called? If there was a concern why didn't they talk to me. As far as range violations, I don't know what they are talking about. I did hit two balls on the course on January 11<sup>th</sup>. Lane followed me and seemed very happy as he made me aware I was going to be suspended. I forgot about warning letter, I was testing my shoulder and had a few beers. Tim assured me he would never suspend me unless he saw me himself. This whole situation makes no sense, and reflects poor management. I have never created undesirable situations here. The fact that my Board will not seek answers is very disappointing. I will continue to pursue answers. This is public record, and I will get copies to a lot of people maybe even the newspaper. The damage is done now, and I have nothing to lose. I will not let this go.

Mr. Showe: That's three minutes.

Mr. McCarthy: Thank you for your comments Mr. Zeigler.

### **THIRD ORDER OF BUSINESS**

#### **Approval of Minutes of the February 27, 2019 Meeting**

Mr. McCarthy: We need a motion to approve the minutes of the February 27, 2019 meeting.

Ms. Walsh MOVED to approve and Mr. Oakley seconded the motion, with all in favor, the minutes of the February 27, 2019 meeting were approved, as presented.

### **FOURTH ORDER OF BUSINESS**

#### **Bond Discussion**

#### **A. Discussion of Capital Projects**

Mr. McCarthy: What we are going to do, we are going to go through line by line. Every Board Member has a copy, and this would be a good time to ask Tim questions if you have any. As you can see, it has been elevated.

Mr. Melloh: In your packet, you have a spreadsheet. I would like to go line by line and discuss each project and what it's for and answer any questions. The first one is the new irrigation system. We wanted to irrigate this golf course with a system that is going to carry the

District through for the next 20-25 years. It would help us manage the water better and water the course better. This system will be using a new two wire system, a two way communication system. There are two companies that specialize in that, one is Rainbird and the other is Toro. We'll go out with an RFP to bid that out. We have about 1,550 heads, there is piping that starts at 16 inches and goes on down from there. We're using a herringbone system, as far as the layout. We are looking to water the golf course wall to wall, so that we don't have burnout areas around bunkers. We have 780 homes around the golf course, people need to see grass out there not dirt. The heads are spaced 65 feet apart, on our course now they are spaced 85 to 100 feet apart. This system is 100% what we want. The designer is able to put this in and give us an estimate as to what the RFP's should come in at. He said it should be \$2,080,000. The things that drive the cost up for our golf course is the fact that our pump station is on #14 and we have to pump water all the way out to green #5. We have to maintain 110 pounds of pressure the whole way, and to do so it requires a lot of big piping for the main line. The other thing is we have to bore underneath the roadway in several locations.

Mr. McCarthy: Tim, give us the number of heads we have now versus what we will have out there.

Mr. Melloh: We have about 950 heads right now, and we will end up with almost 600 more heads with 1,550 total. Again, it's because we're spacing the heads closer to give us better coverage. What's good about that is we don't have to flood any areas in order to get water to another area. It is just a better way to manage water.

Mr. Oakley: Are they projecting we are going to use the same amount of water, more, or less?

Mr. Melloh: We're projecting that we will use about the same amount of water, maybe slightly more. But, you have the potential to back that off whenever we need to. It's a two way communication. Right now, we can send out a signal to say water the 5<sup>th</sup> green for 20 minutes but when we come in the morning we have no way of knowing if that was actually watered unless he goes out there. The new system sends a signal back to the computer saying it happened. You can run a 10 minute test and it will come back and tell you that all 1,550 heads are working perfectly. Or it can come back and say here's a list of heads that seem to be dropping voltage and are in danger of failing. We can go right out to those spots and take a look at those then.

Mr. Oakley: Are these heads all hardwired like the ones we currently have?

Mr. Melloh: Yes, they are.

Ms. Walsh: But we won't have to pull up the wire every time we have to go fix it.

Mr. Melloh: A lot of the wires in the ground now, they're a mess.

Mr. Oakley: Are these low voltage?

Mr. Melloh: I don't know, but I can find out.

Mr. Oakley: When they run the pipe along the pathway on 14 where they go underneath the road, they don't anticipate a problem there where the other pipe is always leaking?

Mr. Melloh: No, not at all. The technology of the people that bore these is so sophisticated. They work well with the utility department and they have cameras inside that stuff.

Mr. Oakley: Will the wires run conduit or are they going to be run the way they are now?

Mr. Melloh: The way they are now.

Mr. Showe: It's encased.

Mr. Melloh: Yes, it's made to last 20 to 25 years.

Mr. Bedwell: I see you have a brochure on Rainbird, is that the equipment?

Mr. Melloh: Yes.

Mr. Bedwell: Who is going to install this?

Mr. Melloh: That's who we go out with an RFP for. So we have an estimate of \$2,080,000. When we go out with the RFP, if people are hungry and want to get this done then they may come in at \$1,900,000. This is just an estimate.

Mr. Bedwell: You're going to do this one hole at a time with other things?

Mr. Melloh: Right, the document says 120 days for completion. We are giving them a start date of May 15<sup>th</sup>, 2020. When they're done with one hole, that one will be ready to go.

Mr. Oakley: When you write the RFP, will there be a penalty in there if they don't complete it by that date?

Mr. Melloh: We're working on the designer with that. We don't want to scare people away.

Mr. Showe: We typically put language in there that says project must be completed within 'x' amount of days unless otherwise approved.

Mr. Oakley: Do you put a penalty?

Mr. Showe: We can, but it does tend to restrict bids. You can always put 'A penalty of 'blank' may be applied.' You have the option of working with the vendor.

Mr. Oakley: David, I've seen too many projects expend past the deadline.

Mr. Bedwell: I understand.

Mr. Melloh: We understand your concern. We will be working with reputable companies, it's not going to be Joe's irrigation from down the road. The next item is bunker renovation and liners, and we are going to go with the capillary concrete like we did on #18.

Ms. Walsh: How did that hold up today?

Mr. Melloh: There was a little bit of wash today, but not like you would think. The rain is coming down at a 45-degree angle, and we had hail. Some of the concrete is exposed, but it is not a complete wash like #1. We have those two bunkers done and we have good pricing on them. We are going to try to reshape the bunkers into the Joe Lee design, some of them has lost their shape.

Mr. Oakley: Is that including all the fairway bunkers too?

Mr. Melloh: Yes, all except for the right side of #17 because that's a 12,000 square foot bunker. It needs to be a waste bunker that people can drive their carts through.

Ms. Walsh: How much maintenance time does the bunker on #17 take up now?

Mr. Melloh: To rake them?

Ms. Walsh: Yes, to take care of.

Mr. Melloh: I don't know for just that bunker. We send out two men every morning and it takes them 5 hours each to rake the bunkers. Are there any other questions on the bunker renovation? Also, when we go out with the RFP it is our intent that the company who puts the irrigation in will also do the bunker renovation at the same time that way we only have one hole shut down at a time. We want it to be the same company so they are using their own personnel. On number 2, we have five bunkers. So, the irrigation will probably be done but they'll have to go back and do the bunkers.

Mr. Bedwell: So in the RFP it will be required that they can do both?

Mr. Melloh: Yes, and that they can only do one hole at a time.

Mr. Bedwell: That's good, I like that.

Mr. Melloh: The next item on the list is the bulk head replacement, there's \$375,000 for that. That's only an estimate at this time. We have bulk heads, and two things need to be done to

them. They have to be structurally sound and they have to look good. There are companies that could come in and fix them, but they don't look good. We're working with companies and telling them we need to shore up the ones that we have, and you need to be able to cut off the dead part. If you go down about a foot from the top, the wood there is solid. Unfortunately, the bulk heads are not going to move along as rapidly as the irrigation system and bunkers. We are still working on that right now.

Mr. McCarthy: What type of façade are you looking at?

Mr. Melloh: We've asked about doing a rock wall. We talked to 3 different companies and the problem with that is you have to pour a footer, which would require you to drain the lake. We don't have a way to drain the lakes because they are all interconnected.

Mr. McCarthy: What about engineering wood that they use for decks? It lasts forever.

Mr. Melloh: That may be something we can look at, but we would have to look at the price. The next project is the tee box renovation. We have done several of them, mostly on the par 3's. We've leveled them off and replanted them with Celebration Bermuda. They've turned out really good, so now we need to do the rest of them.

Mr. Bedwell: Are you moving any tee boxes left, or right?

Mr. Melloh: Yes, we will.

Ms. Walsh: Like on #5?

Mr. Melloh: Yes, absolutely. We would definitely move that. For cart path extensions we have \$175,000. In most cases, we are going to be doing what we did on #9. We poured an extension and put a flare to it so that people have many exit points. Our golf course drains really well, so we don't have the need to go wall to wall with the cart paths. What we need to have is a properly designed cart path with a flare to it. #2 is a perfect example, you get to the end of the tee and it is just a blunt end and that's where everyone exits the cart path.

Mr. Bedwell: You're estimating all those things for \$175,000?

Mr. Melloh: Yes, and there's some contingency if it is a little more. The next item is re-grass of fairways and slopes. Like I said, we have a lot of turf loss from the fact that we haven't had good irrigation or in some cases no irrigation. When we redo the irrigation, we are going to want to replant some of these areas so we have better grass. This will be a year 2 project, we can't do that the same year we put the irrigation in. For maintenance building repair, we put some money in there because they are going to need a new AC system. There are some other

things in the building that will have to be shored up. The other thing here is the driving range tee level and enlarge. We have one of the nicer practice facilities in the area, people love to hit off of our driving range. A lot of that driving range has become unlevel, and there's a lot of area that is unusable. We plan to laser level it, and sprig it instead of siding it.

Mr. Oakley: When you level it, you're going to extend it?

Mr. Melloh: Yes, it will extend out a little bit. It's a lot less money to sprig it than to sod it and it's better to do it that way.

Mr. Oakley: Are you going to do it all at the same time or have a little bit open?

Mr. Melloh: We are going to do it all at the same time. And we are not going to lose any money because we will put people in front of the tee. Next, I have the golf course lake bank augmentation, and for lack of a better word, bank restoration. We have a lot of water on the golf course, number 10 on the left hand side is a perfect example. Our irrigation system, the heads are three feet out of the water. We don't want to throw a 2 million dollar irrigation system out there and then in 5 years have part of it in the lake. So, we need to go in and shore up several lakes on the golf course. Next on the list is rebuilding the #7 green, we all know that is the most severe green. In some areas, it has over a 4% grade to it. They suggest you don't go over 2.2%. We have an opportunity to make that a really nice green. We propose rebuilding that green to a much larger level, if it's a 4,000 square foot green now we would want to take it near 6,000 feet. An estimate for a 6,000 square foot area from scratch is about \$65,000.

Mr. McCarthy: Would that be part of the bid?

Mr. Melloh: Yes, because we need to coordinate it with installing the bulk head there. That green would be down for seven months. We would have people come off at #6 and send them behind the tennis courts to #8. We don't want them going through that area. Next on the list is drainage on #6, and we all know that is an eye sore. I guarantee you right now you can't walk across that area because it's a foot under water all the way around there. We'll have an Engineer come in and take it down to the lake that is on the other side of the bunker down there off the tee. It's a simple thing, but you have to have an Engineer that can do it. Again, the point of these projects is to make sure the golf course is set up for the next 25 years and we don't have to deal with any of these things. One of the projects I wanted to do was on #9 and #18, is a nice fountain. It would really add to the aesthetics of the golf course. The hardest part is getting the proper electricity run. We put the ice and water machine in at the club house, and that has been



such a big hit. It relieves a lot of labor from the grill because they were having to get those for people. Now we have the opportunity to put those in on the restrooms at #6 and #13. Next on the list is the irrigation pump station filter, it is \$35,000.

Ms. Walsh: You have to have that though.

Mr. Melloh: A lot of places don't put filters on their system, but when Scott and I went to Bay Hill we learned that they put a filter on their pump station. They made a very good case for it. You can't ensure the quality of our water we get from the city.

Mr. Showe: They're also self-cleaning.

Mr. Melloh: On #7 we have a culvert repair, we had 2 culverts wash out. We think the metal piping is rusting out, and we want to be able to repair that. We have a butterfly valve on the irrigation pond that is frozen monthly. We need to be able to open it and shut it, with a flap we can never let water out.

Mr. Oakley: On the culvert repair on #7, are they going to replace the pipe or leave it?

Mr. Melloh: We are going to talk with our Engineer about that. Next, our maintenance equipment that we use on the golf course, by and large, is equipment that we lease and flip out every 4 years. That way we always have new and up to date equipment. There are certain pieces of equipment that we need to own. Because we want to continue to cultivate the golf course and have it in as good of condition as possible, we need a Fairway Aerifier and a Fairway Verticutter. We have a small material holder, but we need a bigger one. We trim all of our palm trees, and they are getting so tall now that for safety we need to have a Workman with a lift on it. Our leased equipment is at \$162,000 right now. Now let's go over lost revenue from the renovation. Jason, are you able to cover that?

Mr. Showe: Yes, I'll cover a little bit. They believe we can cover up to 5% of the bond issue total cost as lost revenue, and that would be the cap. They are still double checking all that.

Mr. Melloh: I arrived at that number by saying for May, June, July, August, and September for members we will freeze their account. For those 5 months, it would be about \$67,000 worth of membership revenue that we would not realize. Then I took the remainder non membership revenue and estimated that we would have a 40% loss of that revenue, and that's where I came up with the \$287,395. One of the other pages you have in your packet is the clubhouse remodel. This is just the first draft from the architect. He's utilizing all of the existing clubhouse, we are going to close in the corridors and breezeways. Everything is being enlarged



to some degree, for example the men's and women's restrooms they are almost doubling in size. The first door on the right will be the CDD offices. We've added a conference room, which I am very excited about. We're a professional organization, so we need to have professional offices. If you go down the hallway and take a left hand turn, the GM office is there and that door goes right into the golf shop. We gain about 300 square feet in the golf shop and it's more practical. If you look at the dining room space it stays the same, but we are going to incorporate some booths. People love booths. We don't want it to be stuffy, but we want it to be more upscale than what it is right now. There's another dining room that's private, that can be used for dinner parties or meetings.

Mr. Bedwell: My wife belongs to an organization that is always looking for private dining and it is very hard to find.

Mr. Melloh: We'll have that there. That feeds out onto a covered lanai, it's depicted on the second page in the top picture. That overlooks the putting green, the lake, etc. You would probably be able to use that 10 months out of the year. The bar stays as is pretty much, but it's gets a redo. The current kitchen becomes storage; liquor storage, bar storage. If you look to the left, that is a brand new building. With this design, instead of having a 72 square foot kitchen you have a 480 square foot kitchen. You will have a walk-in freezer and cooler, which you don't have now. This makes us legitimate, and we have potential to do a really nice food and beverage operation here.

Mr. Bedwell: How many people can they sit in these dining rooms? One hundred?

Mr. Melloh: Yes, easily. I don't have an exact figure yet because these are just a first draft. Our architect is working really hard on this, and he is going to shore up our numbers. He's coming back here for a visit on the 4<sup>th</sup> of April and we should have some better figures at that time. The designer can give us a good estimate all day long, but it comes down to going out with an RFP and seeing who is going to give us a bid.

Ms. Walsh: The clubhouse isn't going to happen at the same time.

Mr. Melloh: No. You know as well as I do, a large part of this is getting permits from the County and getting plans through the County. Do you remember how long ago we voted on putting the new fire alarm system in the maintenance facility?

Mr. McCarthy: Yes.

Mr. Melloh: It just got installed two weeks ago because it kept going back to the fire marshal. It can be months of agonizing waiting.

Ms. Walsh: What about all the kitchen equipment, the freezers, coolers, and things like that. Are all of those going to be owned by us?

Mr. Melloh: Yes, and we'll negotiate the repair of all that through the lease.

Mr. Bedwell: When we have the meeting for this, the clubhouse will be nice for the non-golfers. They can go eat and overlook the golf course instead of the parking lot.

Mr. Melloh: We've got 4,300 residents within a couple miles of the place, we should be able to kick butt in this thing. It has just never been set up correctly. Moving on to the other recreational facilities, we've got Woodside Park restroom building. It's \$25,000 to renovate that. We want to build a dog park there, because people love dog parks. Carol McCarthy mentioned that to me. I've never seen anyone use that big area beside Woodside Park. We need to repair the trail there. We have the Scrub-Jay habitat hiking and nature trail for the public. There's a lot of issues with that, but I still want to be able to do that. I think it would be neat to put some pads there and build a boardwalk around it. We put \$400,000 there because we don't know what kind of permits we would have to pull. We have this 400 acre Scrub-Jay habitat and nobody can go out there legally. The last line is contingency. I put \$250,000 there because maybe the irrigation system is more or something like that. You always run into things. For example, we're doing the area on #15 where it is always wet on the right hand side. We've got it all dug out there, and that drainage pipe goes all the way to the lake behind the green on #15. Apparently when they put that drainage pipe in, they missed the grade somewhere. That lake is draining backwards into that area.

Ms. Walsh: That makes sense.

Mr. Melloh: We have been really dry, and that is still filling up with water. We knew it wasn't ground water, and sure enough they found out it is lake water. Now they're going to design it and put an elbow on it and bring the drain pipe up. We thought we would get in and get out, but then we worked on it for three weeks and it's still just a big mud hole. Anyways, that's everything I have and that's where we are for now.

Mr. McCarthy: Thank you Tim.

Ms. Walsh: When are we going to get an update on this?

Mr. Showe: If the Board is comfortable with this dollar amount, we would want to look at options of not raising assessments at all. I would take this number to them with that direction and we'd have to let them come back and see where the numbers fall.

Mr. McCarthy: Let's go around with each Board Member so everyone has an opportunity to speak. My feeling is that I don't want to see an increase in the CDD taxes. We have to do that by extending the bond out. We can pay the bond in three years or fifteen years, that's a decision we have to make. I would like to see it extended out to a time period where there is no increase in CDD taxes. David made a good point a month or two ago, about the fairness of extending it out.

Mr. Bedwell: Yes, I would like to extend it out as long as possible. At some point, I would like to leave room to start building up reserves. In ten years, we might have to redo the greens. I don't know how you do that.

Mr. Showe: Typically, to build up reserves you would want to increase your general fund assessment to capture the figure you need.

Mr. Bedwell: All these things need to be replaced at some point. Do we want to issue another bond in ten or fifteen years or do we want to have money in the reserve?

Mr. McCarthy: I don't think we can use tax revenue as a bank account.

Mr. Showe: No, you can't use the Capital money for a bank account but you absolutely can increase the general fund assessment to start building up reserves.

Mr. McCarthy: We can deal with that at a later date. Now we need to figure out how long we want to go with this bond.

Mr. Showe: If you want to look at 15 year and 30 year, they'll provide both.

Mr. Oakley: My main thing, don't raise taxes. I'd like to see the two options that she put forth on the table to begin with. One was the ten year bond issue because we save half a percent. We can go through local banks rather than advertising.

Ms. Walsh: I'm a little disappointed that it got this big, but I understand it. I want to see several options and I am opposed to raising any taxes if we can avoid it. We can't help what happened before we came here, but we don't want to leave somebody with what I walked into. When I got here ten years ago there was \$2 in the general fund and we were redoing the greens. The folks are entitled to have a nice place to live and hopefully they will see that is what we are trying to give them. I believe the Scrub-Jay habitat is absolutely a worthwhile thing.

Mr. Showe: So, what I've written down is 10, 15, and 30 and no assessment increases. I don't know if they'll be able to hit the 10-year mark and not raise assessments but we will find out.

Mr. McCarthy: Let's look at 10, 15, 20, and 25 years.

Mr. Showe: Okay.

## **FIFTH ORDER OF BUSINESS**

### **Staff Reports**

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

Mr. Melloh: Everything is going along as usual. In the Scrub-Jay habitat we are in the nesting season now so there will be no burn until the fall. We're having a bad March but we're still doing really good. Over Thursday, Friday, Saturday, and Sunday we had four \$7,000 plus days and that's just parking and green fees. Today will be the third goose egg we've had this month because of how bad the weather is. On the assessment for the LED lighting, in January we didn't have the full effect of it. Still, in January we save \$759. In February we saved \$941, and in March we saved \$911. His estimate is that we will pay \$840 for three years. We are saving way more than that. At this point in time, it's a great deal. That's all on my report.

## **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 #3572 through #3595 from the General Fund totaling \$159,219.96 were approved.

On MOTION by Ms. Walsh seconded by Mr. Bedwell with all in favor Check #63 from the Capital Reserve Fund totaling \$1,460 was approved.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Checks #26527 through #26607 from the Golf Course Fund in the amount of \$69,805.80 were approved.

**B. Balance Sheet and Income Statement**

No action was required by the Board.

**SEVENTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. McCarthy: Jo?

Ms. Walsh: I don't have anything.

Mr. McCarthy: Bill?

Mr. Oakley: I don't have anything except to thank Tim for the report on the electric.

Mr. Bedwell: I'm good.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

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

  
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Secretary/Assistant Secretary

  
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Chairman/Vice Chairman