

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, June 26, 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 via telephone
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

FIRST ORDER OF BUSINESS

Roll Call

Mr. Bedwell called the meeting to order at 2:00 p.m. Mr. Oakley, Ms. Walsh, Ms. Thomsen and Mr. Bedwell were present in person and Mr. McCarthy was present by phone.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Minutes of the May 22, 2019 Meeting

Mr. Showe: We received a few minor corrections.

On MOTION by Mr. Oakley seconded by Ms. Walsh with all in favor the minutes of the May 22, 2019 Meeting were approved, as amended.
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FOURTH ORDER OF BUSINESS**Fiscal Year 2020 Budget Workshop – Golf Course Fund**

Mr. Showe: We presented the preliminary Golf Course Budget to the Board and have another workshop in two weeks to discuss it again. I know Tim provided some comments, but they were not incorporated in the version in your agenda package because we received them on Monday.

Mr. Melloh: I provided a list of highlights of what I changed in the budget. For the year, we will have a \$5 to \$6 increase in our fees because we haven't had an increase in the last two or three years. We certainly can understand that with the condition and popularity of the golf course. I increased Green Fees by \$100,000. For expenses, I increased Golf Shop Salaries because we are adding double shifts for the pro shop and the player assistance at the busy times. We are at the point where we are doing right around 54,000 rounds of golf and we need to have that labor. We are going to increase Golf Printing because this year, we want to get rid of the scorecards we have been using that has advertising on it and print our own scorecards to make it classier looking. It's about \$1,900 to do that. This year we are getting a new cart fleet, so I'm increasing that line item by about \$10,000. That's just an estimate because we are planning to get lithium batteries for the new carts so we won't have to worry about replacing batteries. That's where we at right now. If we were to go one more year with these golf carts, we will probably have to spend about \$35,000 replacing batteries.

Mr. Oakley: Does that change our lease? Did we have a four year or three year lease?

Mr. Melloh: We have a four-year lease, but we are looking at a three year one. We are getting information on that right now.

Mr. Oakley: So we don't have the cost for one year less?

Mr. Melloh: It's coming. I'm estimating \$10,000.

Ms. Thomsen: Is everything else the same? The same GPS?

Mr. Melloh: The GPS will be the same because we have a six-year lease with them. We will just switch it over.

Mr. Oakley: How are we with the current hours on the cart?

Mr. Melloh: We are past our warranty on the batteries, which is typical. Regardless of whether you are doing individual carts in a year, you are going to run out. They never give you enough to last the entire year.

Ms. Thomsen: Just like a lease.

Mr. Melloh: Just like a car lease, you get 10,000 miles a year. Who drives 10,000 miles in a year? I increased Golf Maintenance Salary because we are doing a lot of projects on the golf course now. We have a lot of landscaping and we are going to need the extra labor. I also increased Chemical and Fertilizer because those products will go up every year. There are special products out there that cost a lot of money. A perfect example is I have been having a discussion with Dave about some problems on the golf course in certain areas like the slope on #2 on the right side, #3 and #15 as a result of mole cricket damage. For the mole crickets, we used a very expensive product called Chipco Choice, but unfortunately, after using that product for five or six years in a row, the mole crickets have become immune to it. So now we are going to have to switch over to another product next year, which is more expensive so I added some more money. Anyway, with our increase in labor and revenue, we are still at a break-even point of \$4,100. There are also other small items that we increased. Does anyone have any questions or comments?

Mr. Oakley: I have a question about the entire budget.

Mr. Melloh: Okay.

Mr. Oakley: This reflects the situation if we did not go through with the bond issue.

Mr. Melloh: Yes. I asked Jason about that. He recommended that we go through the bond issue as though the bond wasn't going to happen. Then we will deal with it.

Mr. Oakley: That's what I thought.

Mr. Showe: The majority of the expenses you will have over the first year are going to be from the bond funds. So, they will be separate and distinct from these projects.

Mr. Oakley: Right.

Ms. Thomsen: So this is basically going to end up being close to the same anyway.

Mr. Showe: I believe so.

Mr. Showe: The expenses associated with the bonds will be captured in their own fund. A Capital Project Fund will be set up to deposit the funds that didn't get used for the projects.

Mr. Oakley: What I was concerned with, probably more than anything, was the potential loss of tee times since we would go to maybe 17 holes.

Mr. Showe: In that bond, there's that loss of revenue, which will essentially be transferred or requisitioned through.

Mr. Oakley: I just wanted to make sure.

Ms. Walsh: If our budget is reflecting that we should be making “x” amount of dollars, that entitles us to recapture “x” amount of dollars.

Mr. Showe: Correct.

Ms. Walsh: If we are saying that it’s going to be lower, then we can’t justify taking out more money.

Mr. Showe: Right.

Mr. Melloh: The expenses are basically going to be the same regardless of whether we have 16 or 18 holes because we still have to maintain everything. There are no savings if we go to a 17 hole or 16 hole golf course. There are no savings and expenses, so the expenses would be the same. The revenue would be the lost revenues. Like Jason said, we have that kind of coverage.

Mr. Oakley: Okay. Thank you.

Mr. Melloh: Sure.

Mr. McCarthy: I have a question. You identified three or four holes where we have the loss of grass because of the mole crickets immunity to the chemicals. What is the plan to solve that problem at this point?

Mr. Melloh: At this point, we are treating those areas as a grow-in, like if we had just sprayed them. Scott ordered some special fertilizer and is going to be fertilizing those areas every week. We are going to try to grow it in from scratch. If after two weeks, we are not getting the appropriate amount of growth, Paul, we are going to have to look at re-sodding those areas.

Mr. McCarthy: Thank you.

Mr. Melloh: We are going to put signs there so if someone is in those areas, they can get a free drop.

Mr. McCarthy: That’s a good idea. Thank you.

Mr. Melloh: Sure.

Mr. Bedwell: It’s not a lot of money, but one of my concerns is employee insurance for golf course maintenance. Last year it was \$42,000 and it increased this year by \$12,000. That’s my best estimate. Next year, you increased it by \$4,000. I know it’s just a guess.

Mr. Melloh: We just never know because we don’t get our rates until December.

Mr. Bedwell: That was always the fastest growing expense in my budget.

Ms. Thomsen: For the \$12,000, did we hire another full-time employee that caused that large of a jump?

Mr. Bedwell: It must have. Salaries went up slightly.

Mr. Melloh: Yes, salaries went up, but I don't think we hired additional staff.

Mr. Bedwell: I figured it was just a guess. Never mind.

Mr. Melloh: That's just to try to cover what we think it may be.

Mr. Bedwell: Okay. It looks good.

Mr. Showe: At this stage, just to wrap it up, if there is no opposition from the Board, we will take Tim's changes, incorporate them in the budget and present a final version to the Board at the workshop. Then as long as there are no other changes, that will be what is likely reflected as your final budget for 2020.

Mr. Bedwell: So he has \$100,000 more in revenue and there will be \$100,000 in expenses.

Mr. Showe: It's an offset.

Mr. Melloh: In one of the other workshops or one of the other meetings, we talk about the rates so we can talk about the rate increases.

Mr. Bedwell: We don't have to approve these. We are not voting on it now. We are just talking about it.

Mr. Showe: Correct.

FIFTH ORDER OF BUSINESS

Staff Reports

A. General Manager's Report

Mr. Melloh: Out in the CDD we have our normal day-to-day operations. I just talked about the mole cricket damage on several of the slopes such as #2, #3 and #15. We will fertilize to grow it in quickly. The golf course looks great. The tees look good, the fairways look fantastic and the greens look good. We will have another aerification in July, but that is what keeps the greens looking good.

Mr. Oakley: Did you redo the tee box on #10?

Mr. Melloh: We did redo it.

Mr. Oakley: Are there any other ones?

Mr. Melloh: Just that one. We had some soil problems, which we were able to cut out and remove. We went with Tifgrand grass, which is very shade tolerant because we have a lot of shade on that tee box, which is the same grass that is on our collars around the green. It's a very vibrant green and should look good. As a matter of fact, one of the drawbacks is going to be that people

will say, "Man, we should have all of our tees this way." There will be other places we will use that grass like on #17 and #2 where there are shade problems, but it would be too expensive to use that grass everywhere.

Mr. Oakley: The Duda Company never came with the grass they were going to put in.

Mr. Melloh: We are very disappointed with them. It was pretty bad. I have your rounds and revenue report through the 25th. I wasn't able to get the weather updated. We've had a lot of heat and rain, but if we have a very good weekend, we should be able to hit the budget for this month. It is good for June to be able to hit your budget. So, we are doing pretty well. We had 30 nine-hole ladies this morning. Can you believe that?

Ms. Walsh: Yes.

Mr. Melloh: For 30 nine-hollers to go out there when it's hot is unbelievable.

Ms. Walsh: Did they start at this time?

Mr. Melloh: No. At this time of year, they go back to the morning, at 8:45 a.m. or 9:00 a.m. I have two items regarding design services. The first one is for the dog park and picnic pavilion. There is an installer packet from the architect, which totals \$19,960. It includes the pre-design, design development, contract documents, bidding, contract administration, civil engineering, survey and sub-surface investigation. What we basically have to do is approve this quote for the design work to start. Like we did with the clubhouse.

Mr. Oakley: Including the picnic pavilion.

Mr. Melloh: That is the picnic pavilion. Doug mentioned to me that we are probably going to be better served if we leave the current bathroom alone and build a new pavilion because he said the current bathroom was not ADA compliant. If we were to do something with that we would have to almost tear the entire thing down and too much of our money would be used to rebuild what we already have.

Mr. Oakley: Do we have to by law since we are making those changes?

Mr. Melloh: If we don't do anything to the building, we don't. So, if we want to start doing some design work on the dog park pavilion, we need to approve this.

Mr. Showe: If the Board is amenable, I think they should approve it.

Mr. Melloh: The other one is a little different.

Mr. Showe: The other one, yes. I would like to run both of these by the bond folks, just to see if we can get reimbursed through the bond funds or what type of legal action we need to take. This one is not too bad because its only \$19,000.

Mr. Melloh: That was in his budget.

Mr. Showe: Because of the dollar amount, there may be a bid threshold that gets tripped for professional services. I'm not opposed to using these, but I would like to run it by the bond folks.

Mr. Oakley: The only thing that Tim and I discussed was making sure that at our meeting in July, we have a visual presentation to the current ones we have.

Ms. Thomsen: No one is going to buy a "pig and a poke" kind of thing.

Ms. Walsh: I haven't received my letter yet, either.

Mr. Oakley: It was in the mail today.

Mr. Showe: Some of them were delivered yesterday. So, I'm not opposed to it, but I would like to run these by the bond folks just to make sure that there are no challenges with that.

Mr. Showe: The Board can provide direction from staff to move forward with a pavilion renovation architectural review, subject to District Counsel and bond review.

On MOTION by Mr. Bedwell seconded by Ms. Walsh with all in favor the irrigation pavilion renovation for Woodside Park in the amount of \$19,960, subject to District Counsel and bond staff review was approved.

Mr. Showe: There is no issue with this one because of the dollar amount, but the other one I want to double check.

Mr. Melloh: The second one, as you can see, is a very detailed example. You have civil engineering, surveying and sub-surface investigation. You need to have a Food Service Consultant for the design of the actual kitchen because it's a commercial building.

Mr. Bedwell: When are we going to get the money?

Mr. Showe: We do that in July. It will take about 30 days to close from there, so we should have the funds in hand by September.

Mr. Bedwell: Like this clubhouse, we need to get permits. I can't imagine how long that is going to take.

Mr. Melloh: It takes time for these guys to design this.

Mr. Bedwell: I know.

Mr. Melloh: He can't start designing the clubhouse until we give him a signed contract. Then it has to go over to civil engineering. They have to come out and do borings to find out what the foundation is made out of. There is a lot to it.

Mr. Bedwell: I just heard that we were hoping to have this building done by the time of next year's snowbird season.

Mr. Melloh: Maybe. I just don't know.

Mr. Oakley: I think you are looking at seven months for the building and probably three months for the permits.

Mr. Melloh: Paul, do you have any questions?

Mr. McCarthy: No. I'm all set.

Mr. Melloh: Paul, I provided copies of this in your box.

Mr. McCarthy: Thank you, Tim.

Mr. Bedwell: On the 8th hole, the canal is completely covered with something.

Mr. Melloh: Yes. They are spraying that out. It's probably the alligator weed that you get this time of year when you get a lot of humidity.

Mr. Bedwell: Its solid. It's even going through the flowway.

Mr. Melloh: Its designed to go through that flow way. Its big enough to go through there, but ECOR is spraying it. They will get an airboat in there.

Mr. Bedwell: It's completely covered.

Mr. Melloh: They keep on top of that. You are always going to have this.

Mr. Bedwell: I was surprised. I didn't remember seeing that last week.

Mr. Melloh: We had some rain so we are getting some flow through there and it all kind of runs down that flow way.

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 #3629 through #3660 from the General Fund in the amount of \$72,667.87 were approved.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Checks #67 through #68 from the Capital Reserve Fund in the amount of \$23,524.21 were approved.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Checks #26760 through #26880 from the Golf Course Fund in the amount of \$91,801.21 were approved.

Ms. Walsh: Was the annual financial report under the Treasurer's Report?

Mr. Showe: No, the Board approved that. This is just the final version. Before moving to Supervisor's Requests, I just wanted to let the Board know that we sent the mailed notices out for the July 25th public hearing on Monday at 3:00 p.m. or 4:00 p.m. and started receiving calls on Tuesday. We sent you the scripts. That is what we are using internally for our staff so feel free to provide it to your staff as well. We tried to keep it simple. We probably had 10 phone calls over the last two days and they are starting to slowly come in. We will field those as they come in and be ready for the public hearing in July.

B. Balance Sheet and Income Statement

Mr. Bedwell: Are there any questions on the balance sheet or income statement?

Ms. Walsh: I had one. On Page 1 of the check register, did we get a refund from ECOR for the bad chemicals?

Mr. Melloh: I will have to take a look and see.

Mr. Showe: It looks like that check was voided for some reason, but I can find out.

Ms. Walsh: I was wondering because I remember we were saying that they had a batch of ineffective chemicals.

Mr. Showe: Where the negatives are means they voided the check so it could be the check was either cut early or there was some issue when they cut the check that calls for them to reissue it.

Ms. Walsh: That was something that caught my eye.

Mr. Bedwell: Jo, on the Capital Reserve Fund checks for this month, what was Check #68 in the amount of \$20,670 for?

Mr. Melloh: That was the design services work for the clubhouse for the conceptual design.

Mr. Bedwell: I didn't see it on the list.

Mr. Showe: That's because the list only goes through May 31st and the check was cut afterwards. We provide updated checks as soon we can, but we have to cut the financials off randomly.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. McCarthy: Melinda?

Ms. Thomsen: None.

Mr. McCarthy: Bill?

Mr. Oakley: I took a ride out to the railroad tracks this morning where they are doing all of the construction. With the number of sidewalks that are out there, you can get with Rebecca to see if we can hire one person to repair all of their sidewalks and all of our sidewalks in two or three or four months. Maybe we can get a better price if we had one person do it rather than hiring two separate people because VECA has some sidewalks down there that need to be repaired also. That's all I have.

Mr. McCarthy: Jo?

Ms. Walsh: I'm good.

Mr. Bedwell: I talked to Scott about a few greens that were bumpy while others were smooth. He didn't have an answer for me. It's very obvious.

Mr. Melloh: I know he lowered the height and sometimes when you lower it, the first mowing causes that.

Mr. Bedwell: The greens are fine, but there are two or three bumpy ones.

Mr. Melloh: Alright. We will take a look at that. Do you remember which ones those were, by any chance?

Mr. Bedwell: I can tell you on Friday when I'm playing.

Mr. Melloh: Make a note of ones you notice and we will take care of it. We want them to be consistent.

Mr. Bedwell: That's all I have.


Mr. Showe: Do you have anything, Paul?

Mr. McCarthy: No thank you.

EIGHTH ORDER OF BUSINESS

Adjournment

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


Secretary/Assistant Secretary


Chairman/Vice Chairman