

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, August 28, 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
Melinda Thomsen	Assistant Secretary

Also present were:

Jason Showe	District Manager
Lane Burney	Golf Pro
Brett Renton	Shutts & Bowen
Jack McElroy	Shutts & Bowen
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: Would anyone like to speak? If so, please come to the microphone, identify yourself and subdivision. You will be timed for three minutes.

Bonnie Mitcheltree, Addington: I am wondering if the Board can provide some clarification. I've reviewed the budgets for the last couple of years and the number of rounds appear to be stable, projected at 10,000, but then these are comp rounds at 6,000. I have yet to find in any of the budgets what the comp rounds are. Can you break that down as far as what they are?

Mr. Burney: We have three tee times per day, so 12 players per day. Eight of them go to TeeOff.com and four of them go to GolfNow.com. So, 12 players per day are trade times that we pay to have a service, point of sale system and online tee time distribution.

Ms. Mitcheltree: Why are they considered comp if people are paying for it?

Mr. Burney: They are paying, but they are not paying us. They are paying GolfNow.com and TeeOff.com.

Ms. Mitcheltree: We get nothing from GolfNow.com and TeeOff.com. We get the point-of-sale system. They provide us with a free point-of-sale system and as part of our agreement with them, they get two rounds free for them to sell.

Mr. Bedwell: Instead of sending a check to pay for services, we give them rounds.

Ms. Mitcheltree: All of that is GolfNow.com and TeeOff.com?

Mr. Burney: There are also staff rounds that are involved in that as well.

Mr. Showe: There's a breakdown in the financials that I can show you.

Ms. Mitcheltree: I would appreciate that.

Mr. Burney: It also has to do with charity events that we sponsor. If a charity event comes in and they go through the Board and give us paperwork, at that point we can give them a comp round for four players. Basically, those four players would come in and those rounds would fall under a comp.

Ms. Mitcheltree: I understand that.

Mr. Oakley: Did you tell her its employees rounds?

Mr. Showe: Yes, I said employees but also the high schools. That is part of my report.

Mr. McCarthy: Those rounds that are developed by us having that company, cuts the comp round in half by 50%. I had a discussion with Jason regarding that. We are going to try to put that in a different category because it is slightly misleading so I understand.

Mr. Showe: Just for the benefit of the audience. EZLinks Golf also directs those rounds too that the District sells so that's part of the benefit of using that system.

Jim McSeveney, Heron's Landing: I conferred about the bonds in the past. I know that there is a lawsuit pending on the bond. I'm opposed because of the negative impact from the bond. The bond does not, from my understanding, specifically say that you have to spend the money as the projects were outlined at the meeting. You create an Oversight Committee to make sure the money was spent as you proposed, just like the County did when they put a tax for the

School District. It is my understanding, that you could spend it any way you want. You presented it that way, but the bond is not specific to say, "You will have to spend it that way." So, I'm again asking you to provide an Oversight Committee. Number two has to do with associate memberships. For \$79, they get a free round of golf and 20% off. Herons Landing residents are paying you \$182 for the membership, more than that if you look at it, there is no free round of golf. It is not fair. You do need to put the benefits on the residents of Heron's Landing. Virtually, if you take 55 hours and 25 hours, this is free. They pay nothing to get 20% off bringing in an awful lot more than that. Thank you very much.

Mr. McCarthy: Thank you for your comments.

John Pilley, Osprey: I have two questions. One is why is the bond being done so soon so that we have to pay so much interest? Before the bond is even issued, why don't we wait? I can't see that the golf course is currently deteriorating that much more than a couple years it's going to take for us to save interest. The other question is the cost of the bond. This is like 20% of what the bond is. Who is that 20% going to?

Mr. McCarthy: Jason, why don't you handle that please.

Mr. Showe: As far as the interest, that was done by the Board in order to not have an assessment increase to the residents. The reason for the timing of the bond was to take advantage of the favorable interest rate market that we are currently in, versus waiting several years while not knowing what the interest rate is going to be.

Mr. Pilley: \$5 million favorable to the District, is odd.

Mr. Showe: I don't have the documents in front of me. I think the capitalized interest (CI) was about \$3 million.

Mr. Pilley: The \$2.2 million is the cost of the bond itself. I thought there was \$5 million that we would be paying three years in advance.

Mr. Showe: I don't believe that's accurate, but I don't have the documents in front of me. I think that's what's in all of the documents we have.

Mr. Pilley: Is \$2.2 million the cost of issuing the bond?

Mr. Showe: I will have to look at what you are talking about. I'm not sure that I understand the question.

Mr. Pilley: Is it not paying for \$2.2 million?

Mr. Showe: Do you have the document you are looking at?

Mr. Pilley: No.

Mr. Showe: Of the \$11.2 million, the cost of issuance (COI) is \$1.024 million. That's the period of delaying the assessment payment so your assessments don't increase.

Mr. Pilley: Is that the cost of issuing the bond?

Mr. Showe: That is in the cost of issuance.

Mr. Pilley: Does the \$1.024 million encompass both the issuance of the bond and the interest?

Mr. Showe: There are other costs associated with the issuance of the bonds. There is a debt service reserve, discount, bond issuance, COI, a surety bond and an issue discount. All of those together total approximately \$2.2 million, including the \$1 million interest.

Mr. Pilley: Are we going to save that much more money by paying interest on the bond?

Mr. Showe: That was the theory of issuing the bonds when we did.

Mr. McCarthy: Thank you for your comments. Would anyone else like to speak?

Tony Volpe, IRCC: Yes. I had a couple of question. My first question is three phased. It is concerning the bond lawsuit. There are legal costs associated with it. There is no way that we have been able to understand what the cost would be to defend that?

Mr. Showe: I don't think there's any way for us at this stage to estimate the length of time or any of the costs associated with that.

Mr. Volpe: Those costs that would be allocated for that, what bucket would they come out of?

Mr. Showe: The CDD General Fund. All of the assessments for the revenues.

Mr. Volpe: Okay. Thank you. The last part is how would that affect the financial operations of the CDD?

Mr. Showe: At this stage, without knowing the amount, we can't really determine that.

Mr. Volpe: So if the first initial cost was \$1 million, that would come out of the General Fund. So, if we took \$1 million out of the General Fund, how would that affect the financial operations?

Mr. Showe: Pretty severely.

Ms. Walsh: Drastically.

Mr. Bedwell: You would get an assessment.

Mr. Volpe: So at some point, do we end that legal defense?

Mr. Showe: That would be up to the Board to determine.

Mr. Volpe: Okay. Thanks. My second question is that I want to talk about the engineering document, specifically one item, the dog park. Maybe I read it wrong. Correctly if I did, but I believe it says \$55,000 for a dog park. Is that correct?

Mr. Showe: I think that was the initial estimate.

Mr. Volpe: The dogs I know, only care about grass and a fire hydrant. So, I'm not sure what we are going to be doing there. That's why I thought I'd ask you.

Mr. Showe: Typically a dog park is fencing. You need some kind of water station inside. You must provide ADA access to any facilities so there are some accompanying items associated with building a facility.

Mr. Bedwell: There will be a pavilion for people to sit down while their dogs are running around the dog park.

Mr. Volpe: Is that going to be created in an existing park?

Mr. Showe: Correct.

Mr. Volpe: Alright. That park doesn't have any of that now?

Mr. Showe: Correct.

Mr. Volpe: Thank you very much.

Mr. Oakley: Paul, can I comment?

Mr. McCarthy: Yes.

Mr. Oakley: To go back to the gentleman's original question on why we decided to try and go ahead with the bond issue now, we have a problem at the golf course right now, which is deteriorating bulkheads. I'm not going to say much more than that about them, but they need to be fixed. If we were to fix them now, we would have to levy a special assessment. Rather than levying the special assessment on top of the \$600 you are already paying now; my concern is that I didn't want to do that to the homeowners. If we are going to go through and fix the other stuff later down the road, it would be a good idea to put the whole thing together in one issue and get the bulkheads taken care of immediately rather than later. To stay away from legal suits that we could have from somebody falling off a bulkhead when it broke or constant upkeep and repair. We had two or three over there. We had a couple of people falling in, breaking away. Its deteriorating. We had to put concrete bags in there to hold the bulkheads back. So, it's a situation. As for myself being a Board Member, I would rather take care of that problem now

with a bond, rather than taking care of that problem with levying a special assessment to the homeowners. That's my logic for it. I don't know about the other Board Members.

Mr. Volpe: My second question didn't get answered. That was who is the bond insurance agent? I don't agree with the costs.

Mr. McCarthy: Thank you for your comments. Is there any other public comment? Hearing none, the public comment section is now closed.

### **THIRD ORDER OF BUSINESS**

#### **Approval of Minutes of the July 24, 2019 Meeting**

On MOTION by Ms. Walsh seconded by Ms. Thomsen with all in favor the minutes of the July 24, 2019 meeting were approved, as presented.

### **FOURTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2019-06 Ratifying and Approving Past Board Actions**

Mr. Showe stated this resolution is to ratify the actions of the Board taken at the emergency meeting that was held on August 19, 2019 in accordance with your emergency meeting provisions. This resolution re-affirms the Board's direction at that time to retain Shutts & Bowen under the engagement letter for the pending litigation and to schedule an Attorney-Client Session for this afternoon. It's just a resolution to approve those actions taken at the emergency meeting.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Resolution 2019-06 Ratifying and Approving Past Board Actions was approved.

### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Agreements**

##### **A. Third Amendment to the Lease Agreement with Divots Grille, LLC**

Mr. McCarthy: We have four different topics. The first three agreements are going to expire on September 30, 2020. The first one is a lease with Divots Grille. Are there any questions from anyone in the audience regarding that? Hearing none, recommend extending that lease agreement.

Mr. Showe: For purposes of the audience, this extension was always contemplated in the original agreement. It is just an extension of the current rates and current contract rate for one year.

On MOTION by Ms. Walsh seconded by Ms. Thomsen with all in favor renewing the Third Amendment to the Lease Agreement with Divots Grille, LLC was approved.

**B. Habitat Management Services with Kevin L. Erwin Consulting Ecologist, Inc.**

Mr. McCarthy: This agreement will expire on September 30, 2020. Are there any questions from the Board? Hearing none, we need a motion.

Mr. Showe: His contract is also based on his expected hours. He bills based on actual usage so it may not be as high as in these agreements, but it mirrors your current agreement.

On MOTION by Mr. Oakley seconded by Ms. Walsh with all in favor renewing the Agreement with Habitat Management Services with Kevin L. Erwin Consulting Ecologist, Inc. until September 30, 2020 was approved.

**C. Aquatic Maintenance Services with ECOR Industries, Inc.**

Mr. McCarthy: This agreement expires on September 30, 2020.

Mr. Showe: ECOR had a slight increase, just on the use of the chemicals and the size of the facility. I think it was about a 2% increase. That should be contemplated in your budget already.

Mr. McCarthy: Are there any questions from the Board? Hearing none, we need a motion.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor entering into an Agreement with ECOR Industries, Inc. until September 30, 2020 was approved.

**D. Lake Bank Restoration with American Shoreline Restoration, Inc.**

Mr. McCarthy: They are calling for \$30 per linear foot and \$2,500 linear feet for a total of \$60,150. Are there any questions?

Mr. Oakley: There wasn't an increase from last year.

Mr. Showe: It is the same price that they currently charge, so there's no increase in pricing. We budgeted \$60,000, which slightly over the budget, but based on timing, we think it's good to recommend them to finish the work for the year.

Mr. Oakley: But that was increase from last year.

Mr. Showe: I think the \$30 per foot is.

Mr. Oakley: Its \$40 per linear foot.

Ms. Walsh: Are we going to do this at the end of this fiscal year or is it for the upcoming fiscal year.

Mr. Showe: Likely by the time he gets in here and does the work, it will be in 2020. However, there are about three or four firms in the entire state that do it. This guy does a great job. He handles multiple CDDs throughout the area. He times them out so if we get them all on the schedule, we have them on his schedule.

Ms. Thomsen: Are we still staying with the same amount per year?

Mr. Showe: \$60,000 is what we placed in the budget.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor renewal of the Agreement with American Shoreline Restoration, Inc. was approved.

## **SIXTH ORDER OF BUSINESS**

### **Staff Reports**

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

Mr. McCarthy: As many of you probably know, our General Manager is in the hospital and Lane Burney who is the Head Golf Professional will make that presentation now.

Mr. Burney: Regarding upcoming events that we have going on, we have the Florida Junior Tour coming up on Saturday, September 7 and Sunday, September 8. As you know, we have had the Florida Junior Tour here for a long time. We hosted them in February and then we moved it to March in the last couple of years, but based on not being part of our season, I skipped our last date and we moved it at the end of September so it is out of our season. Its right in front of our green aerification on our off-season. Basically, we are sacrificing less revenue to hold the same event. Its brought to you by the Florida State Golf Association (FSGA), which has been a big part of this. It's been a great event for the eight years that I've been at the golf course.



We moved the dates around. So, I'm super excited about having the 13 to 18-year-old girls there. It's cool to be part of the FSGA and FGJT tour. Like I said, moving it to September is beneficial to us. They approached me about a winter series event in February, but I denied them that opportunity. We would love to hold multiple events through the FSGA, but based on it being in the middle of our season, just doesn't make sense for us. West Shore High School is our home high school to the golf course. The boys and girls have matches once or twice a week. They hold them at other golf courses. The schools they compete against, have home courses as well. So, we host all of the home golf course events through West Shore. They basically have 4:00 p.m. matches in the afternoon. It goes through the first week of October. So, we have six more weeks left and we will be done with that as well.

Ms. Thomsen: So that's who we've been seeing.

Mr. Burney: Yes. Eastern Florida has also been practicing and they have always been welcome out on the golf course as well.

Mr. Oakley: They walk or ride.

Mr. Burney: The students from Eastern Florida walk. If their parents want a golf cart, they have to pay for it. We charge them for the use of our golf carts. We give a couple of golf carts to the coaches from each team. In weather circumstances, they are allowed to transport kids from holes back to the clubhouse, but that's the only time that kids are allowed to be on the golf carts. We have an interclub league event this weekend, hopefully, with Duran Golf Club, Baytree and Viera East. As you know, we have a storm bearing down on us. We only do this one year of the year. We are not taking an entire weekend for it. Duran plays on Friday, Baytree on Saturday and we play on Sunday. So, we will be hosting that as long as the weather stays good. It is 8:00 a.m. tee times. They don't do a shotgun so it doesn't really affect play whatsoever at the golf course. Regarding tee times, a huge part of our business is VieraGolf.com, TeeOff.com and GolfNow.com. The list goes on and on. There are a lot of avenues that GolfNow.com, TeeOff.com and EZ Links provide us to get our tee times out to the public. The rate of \$41.50 is a public rate and \$35 is the online rate. That is about 30% above the CDD resident rate and 25% above the Associate Member rate. I am really aggressive with our online rates when there are holes in our tee sheet. If we are talking about tomorrow morning and I have an hour worth of open tee times, I'm going to be very aggressive with that. At some point in time, there is a possibility that the rate could go lower than a CDD rate, but it's about filling that tee time. If I

don't sell it, I make nothing. If I do sell it for \$25 a player, it's still better than getting nothing. So, I am definitely aggressive with those last minute tee times on our website as well as other websites.

Mr. Oakley: Lane, explain to the audience what you mean when you say holes in the tee sheet?

Mr. Burney: So basically our tee sheets start at 7:00 a.m. every morning and runs through 6:00 p.m. So, if my resident members leave, we can book tee times, but there are always gaps and holes on the tee sheet. If we don't fill those holes, it's just like an airline ticket. It doesn't get used. The bottom line is if they didn't sell the ticket, they get zero dollars for it. So as that tee time slides by and the tee times go in an interval of 7 to 8 minutes. So, it's very easy for a couple of tee times, within 15 minutes, to just go by. The lights are on and my staff is there so those unused tee times aren't generating any dollars, whereas if I discount them aggressively, I still bring in revenue to the golf course. It's basically still running the same way. It's going to run regardless of those tee times. So, if my staff is there and we are paying everybody and the lights are on, it's beneficial to us to be able to discount those tee times lower than even CDD resident rates to just generate revenue and get people and bodies into the golf course. Like I said, I will definitely look at that every single day. If I notice there are gaps, I'm going to be addressing them. If I have to undercut the rate for a CDD resident, I'm going to do it because I'm generating revenue, where if I don't do that, it's just going to go unused. We don't make any dollars if that's the case. The pro shop business has been really good. We had steady years the last few years. The weather we have had in the last few weeks have definitely affected us. The golf course wasn't open for days. Pro shop sales, based on last year, are really close. I wish it was better, but unfortunately, we have had more weather this year through February and March and now through July and August. The inventory level is probably a little above what I like it at this point, but I will say that everything has been right on line with where we've been, even though we had the weather. That gives me confidence moving forward that everything is good there. I had a little blowout sale in the pro shop with merchandise that we have been going through this past season on, but we haven't had a lot of open days here in the last three weeks. So that's definitely affected the numbers. Overall, we have been open seven days in a row now and we are back on track. Regarding our golf academy, Mike Hogan had a tremendous junior golf playing season this year. He had two clinics with over 24 kids in each clinic. He had enough

instructors out there, which is the hardest part. When you start getting up in the 20 to 30 people in your junior clinics, it is hard to have enough instructors, but he did a great job with that. The return percentage of these kids that want to come back to this camp is unbelievable. It's amazing how many kids will sign up for one week and just beg their parents to bring them back. So, our client program has been awesome for a couple of years now, but it's just amazing that we see these kids come back year after year and they all grow so much. So, it's definitely an amazing little group we have. Regarding maintenance, our Superintendent is not here, Scott Everly. I spoke to him this morning. We went out on the golf course to talk about a couple of things that we are working on. So, on Hole #7, there's a trench that has been completed to divert water from the lake. We are having drainage issues with the lake. That's part of the bond as well to fix those drains on that hole, but at this point in time, based on this possible storm that we have approaching us, we wanted to be proactive and make sure if that lake overflows, we are not going to have an issue with anybody's backyards. So, we cut a trench by the cart path, in between our #7 green and behind our #8 tee. There is a natural environmental area there that drains into the canal that's over by I-95. If the water gets into that drainage area, it drains very quickly into the canal. We are just worried if it takes a long time to get that point, that's why we were proactive and did that. There's also another lake that's in between the back of the #7 green and #8 tee that will accept some of this water. The idea is with this trench, if there's any overflow in the trench, it does overflow a cart path, but the cart path is high enough in that section where it's not going to affect play. Like if the golf course is dry enough, even if we are trying to divert water with a pump or something like that. So, there is a secondary plan, to get the water out of where it is. We have a valve by the practice putting green that was leaking. We noticed that last week that they repaired the valve completely. As of the time I left, they were out there with a palette of sod to re-sod that area. So that area should start growing in right away and be good to go. The last thing here is the fairways were also mowed today. That was not a normal plan for a Wednesday, but because of the impending storm, we wanted to try to get ahead. It's not just because of the storm, but the amount of rain we could possibly get today. We were worried that if we didn't get out there and do it today, we were going to have an issue tomorrow. If we get an inch-and-a-half of rain again like we did last night, there is a possibility<sup>7</sup> that the fairways weren't going to be mowed. So, we went out there and did it today so we were prepared. I have the daily rounds and revenue report. We have had an uncanny amount of rain

over the last three to four weeks now. Like I said, we've been open for seven days. Our budget is something that I paid a lot of attention to. If you look at our average daily revenue, we are supposed to be averaging around \$24,147 per day. We are well below that, which is based on the fact that we were closed 11 days. Four days outside of that 11, we were only nine holes open, whether it was the back or front nine. So, we are looking at 15 days out of 23 days that we were literally closed or only had nine holes open, but if you look at our last week, we were averaging over \$2,778 per day. So, based on that, we are right where we want to be. It's not funny and it's one of those things. It was heartbreaking to be there and calling my staff off every single day and telling them, "Don't even bother coming in." However, based on other comments I heard from other golf courses, we made the right decision. I know we made the right decision because a lot of golf courses are actually out there spending money on repairing issues that were created by being open. I heard a lot from a local retail shop where a lot of golfers were coming in there that couldn't believe that the golf course was open. To be honest, we were in that position. We open on a Friday morning and we had only the back nine open and it was really wet. We definitely have people coming off of the golf course saying that we shouldn't have even opened today. We do everything we can to generate revenue. That's my job. So, I want to be open and do those things, but at the end of the day, we only have damage on two holes because of the fact that we decided that it was just not that good enough. Unfortunately, by being a public facility, we can't go out there and drive people around. They just don't have the know-how of where they need to be and the right things to do. So, people are not purposely trying to destroy your fairway or your golf course, but it happens. So, the fact that we stayed closed, I think we definitely made the right call, regardless of the loss of revenue because now our golf course is in really good shape. Moving forward, we have one fairway where we are going to have to do a little extra work, but that's it. Other than that, the only playable hole that we had an issue with was #12. Its looking better already. We are going to have to do a little top dressing to get it back to where it was.

Ms. Walsh: Good.

Mr. Burney: That's all I have.

Mr. McCarthy: Are there any questions for the Board? Hearing none,

**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 #3681 through #3695 from the General Fund in the amount of \$152,235.94 were approved.

Ms. Walsh: No checks were written out of the capital reserve account.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor Checks #26964 through #27011 from the Golf Course Fund in the amount of \$35,862.97 were approved.

Mr. Bedwell: Jason, on the General Fund, we have \$102,641 for the debt service. Is that moving the money over to pay the bonds in November? It's the last item in the General Fund check register.

Mr. Showe: Yes. When we get the tax receipts in, it all comes in on one check. We deposit it into the General Fund and whatever portion should go to debt service is cut from the General Fund.

Mr. Bedwell: Thank you.

**B. Balance Sheet and Income Statement**

Mr. Showe: No action is required by the Board.

**EIGHTH ORDER OF BUSINESS**

**Supervisor's Requests**

**A. Presentation of Bond Information**

Mr. McCarthy: Bill?

Mr. Oakley: Yes. I passed it out at the last workshop meeting, a piece of paper that tried to explain things to myself and maybe residents if they went online to look at it. Just to give you an example, the Viera East golf course had 8,894 rounds of golf for CDD residents for the year. Prepaid residents that were CDD residents had 6,979 prepaid rounds and the total number of

rounds for CDD residents was 15,868 rounds of golf. Just the CDD residents, nobody else. We normally run how many rounds of golf? 54,000?

Mr. McCarthy: Yes.

Mr. Burney: It was 52,500 within the last few years.

Mr. Oakley: So that gives you an idea out of those 52,000, 15,863 were residents. Out of the 4,400 homeowners, 983 residents are in the play system at Viera East. That doesn't mean if I'm a resident and have gone over there and played and I didn't register, so there probably could be more than that. So out of the 4,400 homeowners, there are 983 CDD residents that are registered as residents of the golf course for play. Also, after listening to quite a few people's comments on the bond issue, I went through and came up with something that I could understand. The bond is going to cost \$182 per year. Your current taxes are \$679. Your new assessment in 2023 will be \$447. Each homeowner will have their taxes go down \$232. So, the taxes will be less. All homeowner assessments will be going down in 2023, providing there is no increase in operating maintenance costs. Then I heard somebody talk about commercial property and how much they are going to cost. If it's going to cost us, it's going to cost us. So, Jason was kind enough to find a piece of commercial property that was one acre. So, to give you a little bit of an idea now. The current assessment for a commercial piece of property, one acre, is \$5,609. The new assessment with the bond, the current property will be \$2,501. So that commercial property owner will be saving, if the bond goes through \$3,108. All commercial property owners and taxes will go down in 2023, if there's no increase on O&M prices. So, I think with that information out there, it put it in better perspective for myself, sure. If the bond issue didn't go through and this lawsuit is acceptable, then what's going to happen is everybody will save considerably more. The homeowners will save \$182 a year more and the commercial property people will be saving \$2,501. Folks, you will be hit with a special assessment about every three or four years because we have to pay for a sprinkler system, a new pump, which we are already working on, pay for different things like this. If you want a dog park, you are going to be hit with a special assessment for a dog park. So, by putting the bond out there, looking at those numbers, it's less painful for everybody. When the Board was making a decision on the bond. We have a choice of 10 year, 15 years or 20-year bond. The 10-year bond, would have cost you more than what you are paying right now. The 15 year is halfway in between. I'm probably not going to be here in 20 years and when my grandkids sell the house, they are passing that issue in 15 years or

so down to somebody else who's playing house. So, my logic was to pass it on down the road to people that are going to be here with the advantage of the dog park in Woodside and the nature trails and the golf course. You are going to have the opportunity to have the pleasure of being there in reasonably good shape and they will be able to pay for some of it or you will have to pay for it all upfront. Thank you.

Mr. McCarthy: Melinda?

Ms. Thomsen: No.

Mr. McCarthy: Jo?

Ms. Walsh: I just have a question for Jason. The mailing and everything that went out, I don't see it in here unless it's from Allegra.

Mr. Showe: It may not have been charged. I think we might have it on one of the GMS credit cards and Fed-ex. It will probably get processed at a later point.

Ms. Walsh: What was the figure on that?

Mr. Showe: Just the mailing itself runs about \$1.00 per letter, plus there are costs for the folding and assembly. So, you are probably looking in the neighborhood of \$7,000.

Ms. Walsh: Right. So, when we were asked why we don't send mailings out every month to tell everybody what's going on, we utilize the website for that because we don't want to spend \$7,000 a month to do that. People don't realize just how much something like that costs and I just wanted everyone to be aware of that. Otherwise, I'm done.

Mr. McCarthy: Thank you. David?

Mr. Bedwell: Could I read why I voted for the projects?

Mr. McCarthy: Absolutely.

Mr. Bedwell: The only reason I approved the project was to increase efficiencies and prevent deterioration of the golf course and clubhouse. To the point that the golfers decide they are not receiving value for the price they are paying, when enough golfers decide to play golf elsewhere, the golf course will be suffering because of the shortfall of revenues. If any losses continue in the future, we will be required to assess residents for the projected annual loss. To me, it was a choice between paying for the projects now or paying for the losses in the future. Thank you.

Mr. McCarthy: I have two items. Basically, with this problem we are having over by the #7 green with the retention pond, Ed Grasser who is head of maintaining the retention ponds and

wetlands for us and our Superintendent were very proactive in solving the problem. When I became aware of the storm coming, I immediately called Scott and said, "What is he going to do over on #7?" He said, "Mr. McCarthy, its already solved." That's the type of employee you want to have. So, they both figured out the problem and solved it. He tells me it's going to work and would not cause any flooding in the community. So, to have two employees like that, I wanted to get that into the record. Lastly, I would like to say, in terms of this bond, what it will do if it does go forward is it will set this golf course up for success for the next 25 years. It will make the CDD healthy and vibrant as we go forward. To me, it's a very good thing.

Mr. Oakley: I have one other item. Just as a follow up, I happened to ask Tim at our last meeting, after the bond meeting and after people were so upset, how many people came into his office to see what we were doing. His answer was, "They were so upset that no one came to see me and look at the plans, ask me specifics and things of that nature," which is really, really sad.

Peter Carnesale, IRCC: With all due respect, I attempted to go into his office, but he was out.

Mr. Oakley: He has been ailing. You would think that there would be a lot of people and he said, "Basically, no."

Jim Moore, Osprey: I talked to Tim. I was in his office a number of times.

Tom Jay, Lakes of Viera East: Before the last meeting, I was in Ken's office when I received the notice. I met with Lane and some of the crew. I got a good tour of the area and the plans for expansion.

Mr. Oakley: I specifically asked him after the meeting because a lot of homeowners were complaining and he said no one came to him after the meeting. He said there were some people before the meeting.

## **NINTH ORDER OF BUSINESS**

### **Recess Board of Supervisors Meeting**

Mr. McCarthy: At this time, we are going into an Attorney-Client Session, but before we do, I will re-open the public comment period. So, if someone has anything they would like to say, you will be timed for three minutes and have a 30 second warning. The public comment period is now open.

Mr. Showe: Procedurally for the sake of the residents, we are going to have a private Attorney-Client Session with the CDD Board to address the litigation issues. Pursuant to Florida



Statutes and the rules of the District, that meeting is not accessible for the public. We will have to recess this meeting, go into that Attorney-Client Session and they will reconvene the CDD meeting before adjourning. You are welcome to stick around, if you want to be here when they reconvene and adjourn this meeting, but we wanted to open up public comment again so you don't have to if you choose not to just wait around until that other meeting is over. We don't know how long that is going to go.

Mr. McCarthy: The public comment period is now open. Please say your name and subdivision.

Mr. Carnesale: We have our own golf course so very few of our people use your facility at all. Based on your numbers, less than 25% of the 4,200 use the facility. All 4,200 houses are paying for the facility, whether by bond or by assessing. The question is whether or not that in itself is fair at all. I'm not talking about whether it's the bond or not. I'm talking in terms of 100% of the people that live within that area are paying for the golf course, but only less than 25% are using it.

Mr. McCarthy: Thank you for your comments, sir.

Mr. Jay: This is the second meeting I have attended. I've lived here for about three years now. My question on the litigation is that I understand that the tax rates are going to drop both for residents and businesses. So, is the objection primarily against a rate increase or against the manner in which the Board was able to make these rules?

Mr. Showe: I don't think that's a question that we can answer at this stage. I know the document is available through the Brevard County Clerk of the Courts office. You can review that and make those determinations on your own.

Mr. McCarthy: Thank you sir for your comments.

Mr. Moore: Who is receiving the money for the issuance of the bond?

Mr. Showe: All of the staff that has worked on the documents that produce the bond. that is part of the COI.

Mr. Moore: Is there a company name?

Mr. Showe: The engineer, attorney, bond counsel, etc. Multiple amounts of staff worked on that bond.

Mr. Moore: So its spread out through multiple people.

Mr. Showe: Correct. I think there is a list in some of the bond documents. I will see if I can track that down for you.

Mr. McCarthy: Is there anyone else?

Terri King: Yes.

Mr. McCarthy: She's not in the subdivision.

Mr. Showe: That's fine. Its public comment.

Ms. King: I know that my contract for the next year was last amended last year and then it was approved. Should the bond go forward and you do construction, if my contract ends on September 30<sup>th</sup> and construction is later than that, is the Board allowed to extend it so they start off clean once the facility is re-opened?

Mr. Showe: We will have flexibility to draft a contract that is mutually agreeable to both you and the Board.

Ms. King: So that can be amended later on at any time?

Mr. Showe: Correct.

Mr. McCarthy: Does anyone else have a public comment?

Jim McSeveney, Heron's Landing: Yes. Is it my assessment that having the bond does not mean that we have to spend the money? It is just for the golf course recreation. It is not as specific as the information you gave out at the meeting.

Mr. Showe: In general terms, if the CDD is issued bonds, it's a governmental body. We have to spend the money in accordance with the sheet we provided with the projects we provided. The District Engineer also has to certify any expenses are in line with the report he produced. That doesn't mean you have to spend an exact dollar amount, but generally, you have to spend the projects as indicated as part of the plan that was approved by the Board and as part of the resolution.

Mr. McSeveney: So the approval of the bond is the Board.

Mr. Showe: Correct.

Mr. McSeveney: The oversight of whether it is spent that way is the Board. Correct?

Mr. Showe: The Board is approving these projects.

Mr. McSeveney: Would there be oversight of how its spent?

Mr. Showe: It has to be spent in accordance with that document that was approved by the engineer. There may be extenuating circumstances where there's contingency that undefined, but

for the most part, it has to be spent in accordance with the documents that were produced and approved by the Board.

Mr. McCarthy: Potentially, we would see the project come in under budget. That is our goal.

Mr. Showe: Approximately.

Mr. Bedwell: Do we send a report to the state?

Mr. Showe: We send a report to the state every year as part of the audit. This will be included as part of the audit as well.

Mr. McSeveney: That's why my original recommendation was to have an Oversight Committee to make sure that the funds were spent based on the negative impact that people have about it. When the county taxed us, they had an Oversight Committee to make sure the funds were spent exactly like the tax bill purposes.

Mr. McCarthy: Does anyone else have a public comment?

Mr. Volpe: I just want to make sure my comments were taken as positive. I didn't want you to think that I'm not doing my part.

Mr. Oakley: We're good.

Mr. Jay: Regarding the numbers you put out, I think that's terrific that you took the time to do that and I think there is a savings here based on where we were before. I think the focus of the people in the population is that they don't agree with what we expect of them. I wasn't here before. There are reasons why, but I trust that you made decisions that you felt were appropriate for the community. As far as I'm concerned, I'm fine. Moving forward, I'm high level management, certified in project management, MBA, business construction and technology. So, if I can help you out with any of this, I'll be glad to. Let me know. The most important thing is that anything we do is monitoring. When you monitor you can make adjustments? That is really the focus of project management. There is a monitoring process where you make corrections because we are all human. We make mistakes and things go awry. We monitor and have the processes in place to make corrections. Thank you.

Mr. McCarthy: Thank you for your comments. We will make the General Manager aware of your credentials. Is there anyone else for public comments?

Mr. Showe: If not, we need a motion to recess the Board of Supervisors meeting to convene the Attorney-Client Session.

On MOTION by Ms. Walsh seconded by Ms. Thomsen with all in favor the Board of Supervisors meeting was recessed to convene the Attorney-Client Session.

Mr. McCarthy: The discussion of the litigation is titled, "Robert Dale and All, versus the Viera East CDD, Case #2019CA041770." It is estimated that the Attorney-Client Session will last one hour. The Attorney-Client Session shall be attended by Paul McCarthy, David Bedwell, William Oakley, Jo Walsh, Belinda Thomsen, Jason Showe, Brad Ratton, Jack McElroy and a court reporter. Pursuant to Section 286.0011 of the Florida Statutes, all others shall be excluded. Upon completion of the Attorney-Client Session, we will reopen for public comment.

#### **TENTH ORDER OF BUSINESS**

#### **Reconvene Board of Supervisors Meeting**

Mr. Showe: As part of the actions, it would be appropriate for the Board to approve a not-to-exceed of \$30,000 to hire a financial expert to provide some testimony on the Assessment Methodology.

On MOTION by Ms. Walsh seconded by Mr. Oakley with all in favor approving a not-to-exceed of \$30,000 to hire a financial expert to provide some testimony on the Assessment Methodology was approved.

Ms. Walsh: Do we want to give any other authority or are we good with what we have?

Mr. Showe: I think we are good to start with that. That would at least allow them to get started. If anything additional is needed, we could consider those at the September meeting.

Mr. McCarthy: We are all set.

Mr. Showe: I believe so.

#### **ELEVENTH ORDER OF BUSINESS**

#### **Adjournment**

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



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Secretary/Assistant Secretary



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Chairman/Vice Chairman