

Kimberly Powell

To: Commissioner District 1; Commissioner District 2; Commissioner District 3;
Commissioner District 4; Commissioner District 5; Eden Bentley; Sally Lewis
Subject: RE: 03-15-2018 Special meeting minutes approval

Please note, this will be considered for approval by the Board on April 24, 2018.

Sorry for the confusion.

Kimberly Powell
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From: Kimberly Powell
Sent: Thursday, April 12, 2018 11:20 AM
To: Commissioner District 1; Commissioner District 2; Commissioner District 3; Commissioner District 4; Commissioner District 5; Eden Bentley; Sally Lewis
Subject: 03-15-2018 Special meeting minutes approval

The attached 03-15-2018 workshop minutes will be considered for approval by the Board on April 20, 2018.

Have a great day.

Kimberly Powell
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MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

1:00 PM

The Board of County Commissioners of Brevard County, Florida, met in special session on March 15, 2018 at 1:00 PM in the Government Center Commission Room, Building C, 2725 Judge Fran Jamieson Way, Viera, Florida.

CALL TO ORDER

Attendee Name	Title	Status	Arrived
Rita Pritchett	Chair	Present	
Jim Barfield	Commissioner District 2	Present	
John Tobia	Commissioner District 3	Present	
Curt Smith	Commissioner District 4	Remote	
Kristine Isnardi	Vice Chair/Commissioner District 5	Present	

INVOCATION

Chair Pritchett called for a moment of silence.

PLEDGE OF ALLEGIANCE

Commissioner Tobia led the assembly in the Pledge of Allegiance.

ITEM I.A., PRESENTATION, RE: STAFF UPDATE ON GOLF COURSES

Jim Liesenfelt, Interim Assistant County Manager, stated in July Integrity Golf notified the County they would no longer operate its courses under contract through the County; the County had to issue a Request for Proposal (RFP) and it awarded to maintenance and the operation of the golf courses to International Golf Maintenance (IGM); they began on July 30; and the Board asked for a report to be brought back to them on October 24. He continued at the October 24 meeting, the Board received the operation review and assessment report, which they all call the Christovich Report; at that time the Board tabled the decision on where to move forward with the golf courses for another 60 days; on November 1 the County entered into an agreement with Christovich and Associates to help assist Parks and Recreation Department in overseeing, evaluating, and stabilizing the golf courses; and the Board has been receiving the monthly updates from Christovich and Associates with Parks and Recreation reviewing it before sending it on. He went on to explain at the end of the 60 days, January 9, staff brought forward a rather long and large presentation to the Board showing the different options on how to proceed with the golf courses; after some discussion the Board voted to provide an additional 60 days for interested parties to work together towards bringing an agreement to the Board; and that is where the County is at today. He stated while all the meetings were going on, staff had met with interested parties; the Board will receive two presentations today, although they had met with several others who decided not to make a presentation to the Board or move forward with any interest in the golf courses; Parks and Recreation, IGM, and Christovich and Associates all worked together to improve the condition of the golf courses; and they all worked with Golf Brevard, Savannah's Partnership, and Savannah's HOA providing feedback. He noted it was staff, the County Manager's Office, County Attorney's Office, Parks and Recreation Department, Budget Office, and Public Works that all worked with interested parties; staff has been

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extremely responsive in all the questions and providing information to all parties for them to make their presentations today. He commented staff stated they would update the Board on the status of where they are with the Enterprise Funds; the golf operations for Brevard County operates on an enterprise fund; the idea is that the golf courses have to operate and maintain on the revenues they generate; they just finished up the fifth month of the Fiscal Year, which was through February, and the ending balance was \$451,000 in the Enterprise Fund; and staff is projecting at the end of this Fiscal Year it will have \$118,000 of balance in the Enterprise Fund. He continued the \$118,000 does not include any major capital repairs that might occur and of course any loss of play due to weather or any other circumstances; he believes it has changed over that last couple months anywhere from \$178,000 to \$28,000, and going forward that will change; and he noted what they believe is the Enterprise Fund will have a positive balance this entire Fiscal Year assuming the County operates the courses through this Fiscal Year. He reminded the audience who have not been to or seen a workshop before, the Christovich and Associates Report brought forth recommendations such as, disposition of the golf courses, continue to own and operate all three courses, own the gold courses and outsource to third party management, or divest of the Savannah's course and retain Spessard Holland and Habitat; in January, staff brought forward three more options and there is one from the Golf Advisory Board; those options include public private partnership for Savannahs, establish a Community Development District (CDD) for the Savannah's Golf Course, public private partnership for Spessard Holland and Habitat, and the Golf Advisory Board voted for a public private partnership for all three courses; what will be seen during the two presentations is a combination of the last four options; and there is one more option, manage to disposition arrangement, it is an incentive based procurement which investors would purchase/lease the courses or make an investment to improve the course, then at the appropriate time, with the County agreeing to it, they would sell the courses. He advised the idea is that the County would share in the proceeds; the investors would pay a certain cost for the course and the County would make them sell it for a higher price; and depending on how the arrangement and how the RFP works, when they sold it, the County would generate some revenue from that sale. He stated this would take an RFP, they would have to work with Purchasing, it would take some time, but there is the additional ninth option; he noted staff is all around if anyone has any questions; he reiterated there are two groups ready to make presentations; Golf Brevard wants to talk about Spessard Holland and Habitat; and it will be followed up by Savannah's HOA that will talk about the Savannah's Golf Course.

ITEM I.B., PRESENTATION, RE: GOLF BREVARD

Tom Becker stated fewer than one-third of the municipally-owned golf courses in the nation cover their operating costs, much less the necessary capital maintenance expenses, therefore, Brevard County is not alone in seeking to find a solution a funding solution for its golf parks; Golf Brevard is an interdisciplinary group of individuals who love Brevard County, love golf, and have been successful in business; and they want to partner with the County and the golfing community to revive Spessard Holland and Habitat bringing them into the next decade as self-supporting community assets. He explained what he says today can only be understood if they all begin from the same context; after the January meeting, *Florida Today's* article proclaims Spessard Holland and the Habitat as earning a profit; the golf community at the south course relaxed and wondered what the problem was if the courses are making money; the reality is far different, revenue less expenses in government accounting does not equal profit; revenue can come from all kinds of places; a transfer from the Enterprise Fund into the Spessard Holland or Habitat account is not income, it is a further investment of the owner, the County, into a golf course that is losing money; and regardless of how the books are kept, County golf operations is projected to lose \$337,000 in the current Fiscal Year. He continued unless the County and Golf Brevard can align their understanding of where they are today, he is concerned those involved may find themselves disagreeing on the direction they need to move collaboratively to

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find a solution that benefits Brevard County residents; County staff has offered nine offers for the Board to consider, but really they boil down to only a few, either sell the courses, or keep the courses; if the County sells the courses, how will the County maintain them until they are sold; and he asked if the County keeps the courses, how will it maintain them as County assets rather than liabilities. He went on to say he believes the best opportunity for a positive outcome is the County entering into an operating agreement with a non-profit corporation; the reason being is a non-profit corporation offers most of the pros that the Board has looked at and fewer of the cons of any of the other choices; whether the County sells the courses or comes into an agreement with Golf Brevard, the County will not subsidize golf course operations; if the County sells them however, it will have eliminated not on the risks of future costs, it has lost control of what they become; there are down-side risks to selling a County asset; if Spessard Holland fails as a golf course once it is sold, the new owner may be unable to maintain the property if the golf course fails, and he would hate to see Spessard Holland as a derelict property, an enduring testament to the decision that was made to sell; and whether the Board makes the decision to sell the business of golf at the Habitat or enter into an agreement with Golf Brevard, the airport will continue to receive revenue from its lease with Parks and Recreation. He continued whether the County sells the courses or enters into an agreement with Golf Brevard, those golf courses are going to continue to be in competition with Aquarina and the Majors; one thing he does know is that Golf Brevard will operate in a manner that builds the Brevard golf community; they can and will operate in a manner that builds synergy among the competing interests so that everyone benefits, that is what good and fair competition does; when there is an increase in the pool of golfers in the immediate area, as Golf Brevard intends to do, the other golf courses will also benefit; if the County retains the golf courses the question becomes how will the County maintain them; and the two choices are the County will either operate them itself or it will engage someone to do it for them. He noted he began by stating fewer than one-third of the municipally-owned courses in the nation cover their operating costs much less their capital maintenance expenses; historically the two south course have placed themselves in the top third in the country; covering operating expenses and contributing at least some of its maintenance issues; that is not happening now; if the Board decides the County operate the courses, the golf Enterprise Fund would need monetary support from the general fund, according to County staff; it will need to appropriate money to support continuing operations including a significant outlay to pay for major maintenance needs that have been left unmet in an effort to maintain, as long as possible, sufficient balances to cover operating losses; and the other option is to contract with someone to operate the courses for the County. He mentioned the County has choices there also; it can select a for-profit company, or non-profit company to do the job; after he leaves here today, the County will be in an executive session discussing what happened last time the Board selected a for-profit company to operate the courses; the results were not pretty, but they were very fortunate of Integrity Golf's swift demise, like what often happens when a golf management company takes over a public course; they could have bled the County's courses dry for many years, taking profits from funds any conscientious trustee would have reinvested into the asset; leasing the courses sounds good; they can put the burden of restoring the courses on the lessee; they will do so for profit they will earn back over time; and in a recent public Golf Advisory Board meeting, the new chairman asked IGM if he would put in the investment up-front in return for a 10 year lease, and his answer was no, it would take a lot longer than that; and considering the numbers he wonders if the County would do it, what kind of numbers if would have to make if it invested several millions of dollars up-front to improve the courses, and in a business that shows declining numbers like golf has shown in the past decade, the numbers simply do not work for a profit company in the present golf environment and those who think they do, are not being realistic. He stated most of the Board said at one time or another that the County should not be in the golf course business; he agrees and Golf Brevard would like to work cooperatively with the County in partnership to retain the golf parks; there is no option before the Board that is without risks; they can provide it with one that is the best opportunity for success; Golf Brevard will exist as a non-profit entity- since no profits will be required to justify a return on investment, all revenues will be reinvested

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in operating and maintaining the County's assets; in addition, as a non-profit entity, they can and will access charitable contributions from those whose heart is in public golf in Brevard County; Golf Brevard is a part of the community of golfers and their most important responsibility is to remain connected to the stake holders; and that is what the Board of Directors will do. He went on to say Golf Brevard projects the County's operating losses this Fiscal Year for the two south County courses to be approximately \$150,000; they anticipate critical maintenance requirements to be in excess of \$200,000; there is a pumping station at Spessard Holland that needs replaced now; in addition, there is soft costs of management and monitoring of slightly more than \$75,000, for Parks and Recreation staff that are not allocated to the golf courses; and those Parks and Recreation resources can be diverted to other needs if Golf Brevard is selected. He noted Golf Brevard has presented a business plan that is realistic and affordable; they are asking nothing from the County that they do not intend to repay from future revenues; they are asking for a startup transition fund that is less than the County's one year projected losses in running the courses; and the line of credit that will do two things, provide collateral for equipment leases and a fallback fund in case of emergency. He added their intent is not to draw upon the line of credit but to hold it in reserve. He stated the amount of the transition fund depends on the inception month of the agreement; an October inception would be followed by two months of negative cash flows as well as seasonal storm risks; a January inception would be followed by multiple cash flow positive months, thus the transition fund would not need to be as large; and they are open to not only either month, but to whatever time frame the County would desire, with the understanding that the transition fund needs to cover whatever negative cash months may be occurring immediately thereafter. He continued there are capital needs at both courses, some of them will come due in the next couple of months, and to defer them further will negatively impact golf operations; as long as the County funds its obligation to meet critical needs between now and an agreed upon transition date, Golf Brevard will assume the continuing risks of capital maintenance; he noted the County has far more important responsibilities than these golf courses and he apologized for the amount of time the Board had to spend understanding the issues and making this decision; unlike County government a non-profit board will have a single-minded focus on hiring and diligently overseeing a highly skilled manager who knows how to run the courses like a business and achieve success in a difficult environment; and a non-profit board can draw on the many County residents, 20 percent of all high schools in the County who love golf and are willing to pitch in and help keep their courses open and affordable. He went on to say the golfers are a shrinking subset of the Brevard community and they will hang together to maintain the sport they love; profits will not be taken off the top by a management company but reinvested into the courses, a particularly pressing issue in the County where maintenance has been deferred for years; Golf Brevard plans to pay back the County for what it advances them in the beginning; should they fail, the County's cost will be no more than this year's losses; should they succeed, Brevard County will achieve its end goal of no additional County subsidies to the golf course properties; and no matter when Golf Brevard assumes operations, they will need to earn a minimum of \$110,000 above initial transition fund to reach a point where they have insulated themselves from future risks and can begin to repay the County, for example if they begin January 1, the same \$110,000 principle applies and they will begin repayment once cash reaches \$360,000 at year end. He stated they have offered the County specific measurable criteria to gauge their success; the first four measurables are financial; reverse in trends towards fewer rounds and decreased revenue per round; the other measurable relates specifically to the mission statement such as course condition, affordability, and courses that are aesthetically pleasing; monitoring their performance will not require significant government resources; they are suggesting very specific periodic verifiable reporting requirements; their books will be open to the Board at any time; and if they are not achieving the benchmarks that have been established the County can pull the plug and get the golf properties back that are better maintained and more readily marketable for whatever purpose the County may have for them in the future. He added his background is lending, and early on he was taught there are three things to consider when making a loan to someone, character, capacity, and collateral; without character nothing

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else matters; Golf Brevard's steering committee happened when the County decided to give the community time to produce a solution through a public private partnership; the committee grew in numbers as local residents who love golf and were successful in their business careers offered their insight and good judgment; each one of them along with the hundreds of golfers who have shown up today to show they care, is a reason to say yes to Golf Brevard; and they would appreciate the Board's vote directing staff to prepare a three-year operating agreement between the County and Golf Brevard for the two south County courses, an agreement the Board will be able to approve in the near future.

Commissioner Tobia stated he must not have received the preliminary business plan for Golf Brevard because the one he was in his office with a few days ago was quite a bit different than the one sitting in front of him now. He stated in the initial one Mr. Becker had asked for the County to provide legal services; and he inquired if he has obtained outside legal counsel or how he would be handling that.

Mr. Becker stated their original intent was to protect the County, not to insulate Golf Brevard from legal costs; they felt it was important that when they enter contracts, that since the County retains the ownership to the land, they did not want to have any continuing obligation to the County, and they felt that if the County at least reviewed the contracts they had entered into then the County could make sure it was protected from that. He mentioned it was removed because every time they left something in there that was a bit fuzzy, people saw a black hole and they did not want that to be the case.

Commissioner Tobia stated in the new plan, there is a \$200,000 line of credit; and he inquired what the collateral would be for that \$200,000.

Mr. Becker stated that is a line of credit that they intend to use.

Commissioner Tobia interrupted by stating not the use but the collateral as Mr. Becker had mentioned early that collateral was very important.

Mr. Becker responded that is correct; there are three things to lending to a third party; in this case the County and Golf Brevard are a partnership and when in a partnership that creates somewhat of a different situation; and in this situation he believes that the character and the previous performance of the people who were involved in this are key to whether this is a good investment.

Commissioner Tobia stated it is his understanding that there is no collateral.

Mr. Becker clarified that there is no collateral other than the performance of the golf courses.

Commissioner Tobia inquired if Mr. Becker, as a mortgage broker, would ever offer a loan or originate a loan if there was no collateral.

Mr. Becker stated as a mortgage broker he would not but that is not necessarily true of a commercial lender and that is the type of loan they would be in here; and with a commercial lender, character is the characteristic that is most looked at.

Commissioner Tobia stated there is no interest rate listed here and he inquired what interest rate he would be looking for in this loan with no collateral.

Mr. Becker inquired if he is talking about the transition fund or about the line of credit.

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Commissioner Tobia stated the \$200,000 line of credit to serve for lease agreement covering unexpected expenses such as storm damage; it has been established there is zero collateral there; and he inquired what the interest rate Mr. Becker is looking for on that loan.

Mr. Becker stated he understands that there is a proposal coming from the Savannahs where there is a line of credit issued there and it is considered at four percent; and that is a line of credit from the County for the Savannahs to spend on improving what would then be their property.

Commissioner Tobia stated all he is looking for is a percentage.

Mr. Becker stated in this situation all they would be doing is improving the County's property, so what Golf Brevard would suggest is that be something considered as part of the operating agreement.

Commissioner Tobia inquired if that would be four percent or zero percent.

Mr. Becker stated that is something that would be looked at in the operating agreement that is developed with the County.

Commissioner Tobia responded that Mr. Becker is not giving him a percentage. He stated he is sure Mr. Becker, as a mortgage broker, looked at the term of the loan; and he inquired that there is no mention of a term of the loan and inquired what term he is looking for on that \$200,000 unsecured loan.

Mr. Becker responded at this point that is open; they can come back and look at that as part of the operating agreement; and he noted as soon as they have earned to that level of \$500,000 in liquid reserves where they are not at risk, then they would no longer need that \$200,000 line of credit.

Commissioner Tobia inquired if he knew how long that term would be.

Mr. Becker replied if Mr. Tobia had a better crystal ball than he does and could determine how soon it would take to be able to move this to that level then he would be able to place a term on it; in the business plan they expect to be able to move to that position somewhere in the third year; and if their business plan ends up being reality then they would be able to terminate that in probably two and a half years.

Commissioner Tobia stated Mr. Becker mentioned previously and it was mentioned in his office that he was using a Baltimore Municipal Golf Corporation as a model.

Mr. Becker stated that is correct.

Commissioner Tobia inquired if he has analyzed it from the business perspective and found it to be successful enough that it could work in Brevard County.

Mr. Becker responded it has not only succeeded in Baltimore for more than 35 years, but returned significant assets back to the City; one of the steering committee members lived and worked there for the *Baltimore Sun* for 27 years; and he saw it work and work well.

Commissioner Tobia stated that is super; and he asked if Mr. Becker is familiar with the request for solutions that Baltimore issued in 2016.

Mr. Becker responded he is aware.

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Commissioner Tobia stated on page five, the city is looking to explore other options for the management and programming of these courses; and he asked if Mr. Becker could explain, if the Baltimore Management Group was so successful, why the City would be looking for other management options.

Mr. Becker stated according to John Ladd, the PGA professional who heads the Baltimore Municipal Golf Corporation, the request for solutions was requested by the non-profit corporation because they looking for new ways, or if they had missed something all the way; one of the solutions that came in was from the Casper Organization; the Casper Organization offered the City \$2 million if it would also put in \$2 million; and the City did not accept the proposal and the reason was because there was an understanding that if the Casper Organization came in the focus would be on those courses or that course that is the primary generator of income for the City, and other courses that were not profitable would be neglected.

Commissioner Tobia inquired if the rounds played by the Baltimore Group would be trending upwards or downwards.

Mr. Becker stated they would be trending downwards.

Commissioner Tobia inquired if he knew how much.

Mr. Becker advised he knows they have been substantial but he has not looked at the percentage.

Commissioner Tobia stated he takes this very seriously, anytime someone asks for a loan and does not have the details, and he looks at this as taxpayer's money; he asked if the Baltimore course face the same deferred maintenance issues as Spessard Holland and Habitat.

Mr. Becker replied they face some of them; as revenues have fallen throughout the golf industry then so have they fallen in Baltimore; there are specific drivers for them in Baltimore that are very different from what Brevard County has; the City of Baltimore has lost 25 percent of its population; when looking at that comparison and what Brevard is experiencing, they are very different environments so it would be virtually incredible to think that Baltimore would not lose a significant percentage of its golfing rounds; in addition, the City of Baltimore has taken back from its golf corporation approximately \$10 million over the years; and if those funds had been left by the City for tougher times, as well as good times, then the Baltimore Municipal Golf Corporation would have the money now to be able to ride this out and take care of its issues.

Commissioner Tobia mentioned he is glad that was brought up; he looked at the 990's of the Baltimore Management Group; and he inquired if Mr. Becker had looked at them well.

Mr. Becker stated he had not.

Commissioner Tobia explained he looked at the more recent ones; they have obviously gone downward and everyone can agree upon that; the most recent one published was in 2015; he advised has copies for the Board; the organization, the Baltimore Group lost \$362,607; they reverted back \$200,000 to the City, therefore the organization still lost \$162,607; and he inquired if that is all accountable to the loss of population in Baltimore and has nothing to do with management or trends in golf.

Mr. Becker replied if Brevard lost 25 percent of its population that the issue the Board would face financially would be substantially more than what Baltimore has done; the City of Baltimore is a model and the non-profit corporation is a model; one of the things he believes Golf Brevard will be able to help from is the USGA and perhaps the PGA of America as well because what

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they will be doing is establishing a new precedent for this model to be able to work in the present golf environment; the basics of it make so much sense because it puts every dollar back into the courses themselves rather than having to pay a profit to someone else who will do it; and if this model cannot work, then golf cannot work.

Commissioner Tobia stated according to the Christovich Report, page 52, he outlines \$1.1 million to pay for capital improvements and major repairs for Spessard Holland and Habitat; and to take the full \$390,000 as well as the \$200,000 line of credit, which may not have to be tapped into and he understands there could potentially be some losses in there, but if there were none, then Golf Brevard would have a total of \$590,000; and he inquired where Golf Brevard is going to make up that itemized list of almost a little over \$550,000 of deferred maintenance that the report has pointed out.

Mr. Becker responded the deferred maintenance has been deferred by the County for a long time; there are a lot of things that are just held together over there with duct tape and will have to be addressed; the way they are looking at this is that there are certain things that need to be addressed on a short term basis or they will impact golf operations; they all do not have to be addressed at once; in the operating budget that was in the three-year financial plan there is \$100,000 set out each year for those kinds of capital maintenance items; they think they can take care of that over time, but only hitting the ones initially that negatively impact golf operations; and the other things are things they can continue to put band aids on until the funds are there to deal with them.

Commissioner Tobia inquired if he expects to ameliorate \$300,000 of that \$1.1 million of deferred maintenance.

Mr. Becker stated Commissioner Tobia had shown, when looking at the long list of the Savannahs, how the Savannah's Partnership had really substantially reduced the amount of money that was going to be necessary to be able to handle the capital maintenance needs, and Golf Brevard can do that with less expenses than the County would be able to; that \$1.1 million may very well be substantially less than that; it may be more because there may be things between now and when they end up taking over operations of the courses that the County will have to fix; one of them may be the pumping station at Spessard Holland, which needs taken care of right now; and that is a big piece.

Commissioner Tobia stated Golf Brevard is asking for a startup cost and a \$200,000 line of credit; and he inquired assuming Golf Brevard has used up that \$390,000 startup cost and the \$200,000 line of credit, which are not enough to even deal with the issues that have been outlined in the Christovich Report, and something else does come up like the pumping station, how that would work out, and where the \$80,000 would come from to cover that expense.

Mr. Becker stated that would come from the \$100,000 Golf Brevard already has in the budget to be able to handle those types of major maintenance issues; it would make it less likely for them to be able to deal with other things they would like to do, but they will be able to cover the major maintenance situations; and he noted the only thing he can see that would blow it apart would be a major storm that really decimated the place.

Commissioner Tobia stated he knows nothing about golf so he has to take the Christovich Report at face value; Spessard Holland is expected to lose \$600,000 in the next three years; Habitat is expected to lose \$300,000; this is just revenue minus expenses, not including deferred maintenance costs; and he inquired how, after this \$390,000 and the \$200,000 line of credit, does Golf Brevard plan to cover the \$900,000 deficit.

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Mr. Becker stated what he has seen to date from the County, since the Christovich Report is an absolute and total departure from what that report outlined; the County is not operating according to that budget, it is putting figures back in to provide reports based upon that budget and shows the deviation from it; they do not expect to be operating from Mr. Christovich's budget; what they intend to do is take concrete steps on how they will build the community around those two courses; the people who are in attendance today are part of that community; and they are in attendance because they care. He went on to say Golf Brevard believes they will not only increase revenues by rounds, but they will be able to go back to the community at large for contributions to what they are doing; it will be charitable contributions because they are a 501(c)(3); they do not know how much that will be because it is not part of their initial plan; however, when they start looking at it long term, they believe that is going to be there from the people who care.

Commissioner Tobia inquired if Mr. Becker believes that Golf Brevard is not only going to buck the national trends, but they will vastly outperform the very courses that they are modeling their plan after.

Mr. Becker responded affirmatively. He stated one of the people on his steering committee was a publisher for *Florida Today*; he was a lead person in developing the contributions that were necessary for Brevard Zoo and for bringing together 16,000 to build it; he left and went to be a publisher at *Detroit Free Press*, and he moved from there to the *San Francisco Chronicle*, who were losing double digit millions of dollars per month; it took him seven years, but when he left it was earning double digit million dollars per month; people can say numbers are going down in the golf industry, just like the newspaper industry, and he bucked that; Golf Brevard believes he can do the same here with the golf industry; and they are excited to have him as part of Golf Brevard.

Commissioner Tobia reiterated what Mr. Becker had said about this gentleman; and he inquired how many members of the steering committee are in the golf industry of managing municipal golf courses.

Mr. Becker explained the Board of Directors of Golf Brevard are not to be the managers of the golf courses; the primary responsibility of a Board of Directors is to connect with the golfing community and to ensure the values of the golfing community are reflected in what they do as an entity; they make sure that the manager of the golf courses is staying within the parameters of what are stated for him; and that is provided through controls in a similar manner as Golf Brevard is asking the County to control them as an organization.

Commissioner Tobia asked if that means zero.

Mr. Becker responded they have a person who was president of a golf course in San Francisco, Steve Proctor; Mr. Vega has been very closely aligned with golf; and they have a golf course manager of a private golf course, who has agreed to be an advisor to the committee and to help them in interviewing for a Director of Golf position.

Commissioner Barfield stated he knows how a line of credit works; if the \$200,000 line of credit is not used, it just stays there as a reserve; and he inquired if the County would be putting that up.

Mr. Becker commented the County would make that available for them to draw from it when necessary.

Commissioner Smith stated this is a very interesting prospect of what Golf Brevard is proposing.

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Chair Pritchett stated she is either going to be for fixing these golf courses and selling them or make this plan work; she is not ready to come to a decision today for these two courses, but she is hoping if the County works this plan that Mr. Becker will do the due diligence and spend the time that the Savannahs has; they sat with staff and worked very hard for a solution; and she would hope Mr. Becker would do the same to find something that is workable.

Mr. Becker stated he believes the only thing that has to happen with staff is a further review of the operating agreement that was put together and to make sure it meets the County's needs.

Chair Pritchett advised Mr. Becker he is going to be her next project in working towards the future.

ITEM I.C., PRESENTATION, RE: SAVANNAHS GOLF COURSE

Sonia Bosinger, attorney for the Savannah's Homeowner's Association (HOA), stated the Savannah's have worked together with County staff, County Manager, and the County Attorneys to come up with a simple solution so everyone can walk away from this as happy as possible, and for it to end amicably for the County and the homeowners of the Savannahs; a lot of what was said by the Board was taken to heart and the HOA wanted to show they willing to put skin in the game; and that is where they are today. She continued she knows one of the contentious things that have occurred within the Savannah's is this resounding objection to the fact the HOA fees have only been \$150; that has been an uphill battle to convince the Board why it is that amount; HOA's can only pass budgets to pay for and charge its owners for the amounts it is allowed to charge pursuant to its governing documents for land, common area, that the HOA owns; until the HOA owns this golf course property it was not even able to pass assessments to start saving for the golf course property; they have not been in that position; they have worked with the homeowners and have had meetings with the homeowners; and they sent out notice so the homeowners have a resounding approval supporting the association because it is also bound by the governing documents that say the board alone cannot take out a loan. She noted they needed homeowner approval and she is proud to say out of the 287 homes within the Savannahs HOA, on quick notice and sending out this information to the community, they have over 221 who approve and the deadline is not until next week; that is 77 percent approval of the homeowners who are willing to back up the association and work out an agreement with the County so it can have the funds to convert this golf course over to the association; and with that in mind she sent a letter of intent. She continued with the HOA they need time to build up the coffers; this golf course has been operating at a deficit of about \$15,000 a month that the County has been paying for; they need some availability to be able to run this golf course so the homeowners who many of which are on a fixed income, can actually afford to do so; they already have it in the works to start passing increased assessments because they know this is coming; and on top of that what this does is it gives the County a date certain and that date certain is very soon. She went on to say that \$15,000 a month deficit comes to about \$180,000 or more that this golf course has been bleeding each year; they will need to have that money available to the HOA for a short term period so it can turn this golf course around; as everyone knows the Savannahs golf course has not had a working concession area and it does not have the permits; she knows it has been worked on and they believe with the permitting process coming to a closure soon that with the concession working, and the money coming in for the restaurant, they will have an increase in tournaments coming to the golf course; they also have the influx of jobs in the north part of the County; North Merritt Island has a higher medium income of about \$15,000 per year more than the rest of the income within Brevard County; and the Savannahs is the only golf course on Merritt Island, so having this golf course stay open to the public is what the HOA wants, but at the same time this is a public golf course and in the Savannah's HOA they are averaging over 20,000 rounds of play per month. She stated just on those portions it is easy to tell it is not just the homeowners that

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are playing this course, it includes the public; what they are looking for is bridge money to get them through; the level of maintenance that was required from this original agreement, required that the golf course be maintained to a certain level; the HOA believes that the level of deferred maintenance on this golf course now needs to be repaired; the County had obtained a report from the National Golf Foundation and there were \$834,000 of deferred maintenance that needed to be done that the National Golf Foundation came up with; and the County and Christovich and Associates came up with a figure of \$1,770,000 worth of maintenance that needed to be done. She continued combining those figures with the amounts that needed to be carried over between Christovich and Associates Report, the National Foundation of Golf, and the County, they are looking at \$1.86 million and that is a lot; what they decided was they need the County to bring this golf course up to the level that it should have been maintained at before it is turned over to the HOA; some of the items that they would like to see done, they do not believe the County should be responsible for, that is anything above the baseline to make the course better; for example, she stated there are mosquitoes at the Savannahs golf course and putting a screened enclosure around the patio behind the clubhouse is not something they would look to the County to pay for, but they are looking for the County to bring the golf course level up to the deferred maintenance that it should have been at previously; what they are estimating is \$600,000 to \$800,000 plus the amount of money the golf course is bleeding; and they are asking for a payment of \$320,000 at the time of reversion, 12 months later another payment of \$320,000, and 12 months after that another payment of \$320,000. She went on to say from their discussions with County Manager Frank Abbate she believes there is a work-around for those funds so the County would have that availability to pay the Savannahs; the beautiful part is the golf course would already have reverted and will be owned by the HOA; they are also seeking a \$1.2 million line of credit; she knows that is hard for the County to swallow, however, they are looking to place a surety bond on the golf course property with the stipulation that the County will never again end up with that golf course; the \$1.2 million would have an interest rate of 1.25 percent; and she believes those funds are available from the health insurance fund and she would defer any questions about that to Mr. Abbate. She noted the HOA has been doing its due diligence. She explained the HOA has worked with the County to come up with a solution and to not leave the homeowners high and dry; as much as people want to blame them about their \$150 annual assessment fee, that is all they needed to cover the common areas; they are willing and supportive of their association to stand up and take ownership of this golf course which has been dropped in their lap; with the surety bond and any of the money that is drawn from that line of credit, there would be 24 months in which money could be drawn from the line of credit; from there as soon as money is drawn the first payment is due within 90 days; and the repayment period will be over 15 years. She reiterated the HOA will have a surety bond over the golf course property so that the funds are secured for the County. She stated they will be petitioning to establish a Community Development District (CDD); the HOA will lease the golf course property to the CDD and the CDD will then have a 25 year lease with the association to operate the golf course; the three payments of \$320,000 will actually go to the CDD and the CDD will also have a loan with the HOA as guarantor through the surety bond; and as far as stormwater management this will limit the current responsibilities the County has with regard to stormwater management. She continued they have been looking at the maps of where some of these stormwater management facilities are located; for those that are located on HOA property, they would be the responsibility of the HOA with two exceptions, on the east side and the west side where the County needs access under an easement that staff has notified them of; and the County road right-of-ways in which the County would continue to maintain as it does for all the other communities. She advised the HOA and the CDD would also enter into an agreement with the County for the reclaimed water supply that the County currently has responsibility for, which is the gray water used to irrigate the golf course; the association would agree to deed over the westerly portion of tract six from the original plat of the Savannahs, which the County is already using for the mosquito impoundment project; and they will also agree to execute a hold harmless agreement and release the County of all claims related to the golf course property; and she noted that is where the payment they

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are seeking comes in, so they can both move forward in their separate ways but they can actually work with the County to repay the \$1.2 million or as little or as much as the HOA and the CDD end up needing to make this golf course a beautiful facility for those 20 to 30 thousand plus rounds of golf that they hope will continue to be played at this golf course. She added they hope this golf course can continue to benefit the residents of Brevard County and be privately owned by the Savannahs HOA to be properly managed by the CDD; and that the County will have a certain date so that it can stop the bleeding of funds.

Commissioner Isnardi stated just for clarification, the Board had that discussion with length and not once did Ms. Bosinger mention that the HOA fees could be increased based on them owning the property, in fact they heard from dozens of residents that either did not want to pay more than the \$150 or that they were going to be costed out of their homes because they are on fixed incomes; that could have easily been clarified and settled as an item of issue long before it was brought up here today; the general feeling was the homeowners did not want to pay more, then they were willing to pay more but did not want it to increase very much; she is glad that they have finally gotten to the point where they are willing to pay more because they obviously want to keep the golf course; and although she cannot speak to what happened 20 years ago and why the County ever put a golf course in an HOA, she wants her message to be clear not just to the HOA but to everyone, she thinks their offer has to be better than what it is. She continued the HOA is asking for \$320,000 and \$1.2 million in credit; she cannot support this; she is glad that the Savannah's HOA has something, but she believes that is asking a lot; she knows the HOA is agreeing to hold the County harmless, she and other members of the Board have said to revert it back and leave it to the HOA to sue the County; she does not want to do that but just gauging on what was presented prior, and how many hours Mr. Becker spent in her office going over their agreement, it seems much more appealing number wise than this one does; she is open to options and is not closing the door entirely; she is glad Ms. Bosinger did not come here and say there is no way the HOA or homeowners will pay more; and she is hoping this will work itself out because she believes this golf course is an asset to the community, and she wants to see it succeed. She noted obviously since there is standing room only in the room, people want golf in the community and she is trying to listen and be open-minded, however, it cannot be harmful to the taxpayers.

Ms. Bosinger stated in response to the \$1.2 million, that is a line of credit; they are not taking that money right off the top and she does not even know if the CDD will even need that amount of money; it is just the availability for the rainy day, because even though neither she nor Commissioner Isnardi were there 29 years ago when the County agreed to this, however, the County did agree to do this and the homeowners bought into this HOA with a County-owned golf course; there is that ability for the County to revert it back to the HOA, but the HOA has not saved for it, and they could not have saved for it, so to put them into a position where now they do not have a rainy day fund, and now the County wants to make the decision to revert it back, they understand the County has to do its due diligence, and the Board needs to do its due diligence to protect the citizens of Brevard County, but at the same time dropping a golf course without having that fund available is not going to work for these homeowners; and that would leave them in a position where she will be representing this association through bankruptcy if they cannot get through it, so there has to be that rainy day fund to protect them and to have this availability. She mentioned she does not want to pin this against what Golf Brevard is doing, but they are offering a surety bond on that golf course property where the County would not end up with this golf course; that \$1.2 million is guaranteed, whether it is paid through the CDD, the homeowners, or the surety bond; and she really does not see the issue with the County if those funds are available to help this community get through this situation with funds that are guaranteed. She noted she thinks that is a very viable option; and just looking at the figures the County had, \$1.86 million for everything that needs done to that golf course, that is a lot of money that the HOA is willing to take on.

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Commissioner Isnardi stated she understands some of those numbers came from the County and some of the numbers have been adjusted but she wants to be clear, maybe it was not stated enough during that meeting, but the Christovich Report was also included; the County asked him for an analysis, a contract as if the Board were to hire him to sell those properties for it; she had questioned right from the beginning the motivation and what was in it for him; and it may not have been that for him, but on face value he stood to make several hundred thousand dollars. She added she is not trying to attack Mr. Christovich's character, but that is why she believes those numbers have changed quite a bit. She continued he took what the County's numbers were and he provided what the worst would be, so she holds little credence to that report; she noted she is willing to work with the Savannahs but it is not the Board's responsibility to take the full brunt of it because this is a golf course in a PUD, so there has to be something; the County does not owe this HOA everything to make it right; it can try to work with the HOA to help; however, that is why in the agreement it had that it would revert back to the HOA. She noted she never would have approved this agreement had she been a Commissioner 29 years ago, but she is sure that was in the agreement for a reason. She went on to say maybe the County should have maintained it better, but whether the County could afford to maintain it better, is a different issue; the Board is looking at here and now; it cannot look at just what is affordable, but also what is answerable, because it is not just answerable to that PUD; and she stated the Board has to answer to the people in the County. She mentioned the feedback she is receiving is to save the courses that have a shot and dispense, because this is not a new issue, it is an issue that has been going on for years; the County debates it; different Commissions try to come up with different solutions; time after time it changes it, hires management companies, and it still fails; and she noted it has to be something new, but it has to be something that is not going to put the County at risk.

Ms. Bosinger stated she understands; the golf course is open and over 20,000 rounds of golf are played at the Savannahs every year; this is not just an HOA golf course, this is also open to the public; what the Savannahs is looking for is the Board to help them patch it so it can get through this position and be able to pay for this golf course, so they do not have a defunct association; this HOA has never been defunct and any bankruptcy that occurred by the developer has been prior to the HOA being formed, and has nothing to do with what is being talked about today; and that is likely what caused the County to take it from some development company in the beginning. She noted the HOA was not there and it is not their fault, but there can work with the County in coming up with a solution.

Commissioner Barfield asked County Attorney Scott Knox to explain what a CDD is, how it works, and how it relates to government.

Attorney Knox replied it is a quasi-government entity created by, in this case, the County Commission, because this would have less than 2,500 acres, therefore the County Commission would create it, by ordinance to delegate the function of government related to improvements to a group, District Board, that functions independently from the County and they would have the powers to assess, to tax, and in this particular case they will be the lessees of the golf course; and they will be doing it for a period of 25 years in order to get out from under the obligation of having to pay taxes on it, like other golf courses have to pay; and it saves the homeowners some tax money.

Commissioner Barfield continued on to say the County is talking about reverting on May 1, 2018, where the County would not in any way, shape, or form own that golf course.

Ms. Bosinger stated May or June that depends on how quickly the attorneys can draft the agreement.

Commissioner Barfield jokingly stated that could be next year.

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Ms. Bosinger responded it will be no later than June 1, 2018.

Commissioner Barfield stated he has been working on this about once a week; it has come a long way from where it was; he really appreciated working with everyone on this, even though it was a little contentious at times; they will be \$320,000 each year for the next three years, which is not anything different than has been done before with parks; in 2016, the County conveyed Palm Bay Regional park over to Palm Bay and the County has done that with number of parks; and for five years after the County will still pay Palm Bay money for that which comes out to about \$1.2 million. He added, year one is \$502,000, year two is \$753,000, years three through five will be \$566,000; the reason for this is because the County is turning it over, but there is maintenance and operations that need to go on with that; the County is dumping this on someone else who has not prepared for all this funding; it is logical to do it this way; and it is not any different here with the golf course. He went on to say, he wants to be clear, this is not something that has never been done before; it makes sense to turn it over to someone else; and that is what is happening with this.

Commissioner Tobia stated he wanted to than Mr. Shay; every meeting he had with him was always very enjoyable; it is always fun to sit across the table from someone who is remarkably smarter and does not have to rub it in; he greatly appreciated the time and hopes that no matter the outcome of this, that they can come together for more solutions; and he mentioned when someone comes to his office he will tap them into other ways to help the County. He continued by thanking Ms. Bosinger as this started out as an idea and he appreciates her coming to the Board with terms and interest rates because he thinks those are very important as the Board makes decisions; and he mentioned he has some questions for staff. He went on to say it is his understanding that the County recently refinanced some commercial paper to 2.75; and he inquired from Budget Director Jill Hayes, if that is correct.

Ms. Hayes replied affirmatively.

Commissioner Tobia inquired if it would be fair to say that the \$1.25 would be a subsidized loan based on the County's borrowing capabilities.

Ms. Hayes stated the County's practice, for internal loans between funds, is to use the consolidated earnings interest rate; right now that is 1.53 percent, which is the interest rate the County earns on its funds that are being invested; and that is the rate the County would charge on internal loans.

Commissioner Tobia stated so that would be subsidized; but he inquired if it would be smaller than the delta of 1.25 and the 2.75.

Ms. Hayes stated that is correct.

Commissioner Tobia stated his understanding is that the County is still owed \$819,000 on this course; he assumes if the County was to enter into this agreement that the obligation for that amount would still rest with the County.

Ms. Hayes they have been in discussions with County Finance and they are looking at the outstanding balance on that loan, but that amount is an internal loan between the General Fund and Solid Waste; therefore, the General Fund would be responsible for whatever outstanding payments that there are.

Commissioner Tobia stated the County has very recently expended approximately \$20,000 on the snack bar at the Savannahs which will immediately become a private asset and he inquired if that money would be paid back to the County under this agreement.

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Attorney Knox stated it is not in the agreement.

Commissioner Tobia inquired if the HOA, at any time, be permitted to sell this course.

Attorney Knox explained the way it is structured right now, there is not a restriction on use as a public golf course so theoretically, assuming after two or three years it did not work out as a golf course, they would own the golf course and could turn around and sell it.

Commissioner Tobia inquired if in order to get a surety bond, if the organization would need collateral.

Attorney Knox stated in most commercial operations they would.

Commissioner Tobia inquired if mostly the land on the course would be used as the collateral on that surety bond.

Attorney Knox responded yes, because the surety company wants to make sure they will get paid, if they have to pay the County; and they would be looking to get a piece of property they could sell to someone else to make the money back they would have paid to the County.

Commissioner Tobia inquired if the County has an assurance that this will actually remain a golf course or even a public course; and he asked should this organization go defunct one way or another, if the bond balance would come back to the County so it would be made whole, and if the surety company or the insurance on the surety company would have the ability to do whatever they wanted with the course.

Attorney Knox stated that is subject to regulation; they would have to come back to the Board to talk about the zoning of that course because right now it is zoned for public use; and GML is the proper zoning which is something they cannot use it for right now.

Commissioner Tobia inquired if the County would be able to immediately revert the course back to the HOA without this agreement.

Attorney Knox responded the homeowners would disagree with him, but he thinks the answer is yes.

Commissioner Tobia asked if the County were to do that immediately, if it was Attorney Knox's legal opinion, that the County would be responsible to pay the deferred maintenance.

Attorney Knox responded it is his opinion that the County would have an argument for that; they would probably end up litigating it; the court would have to decide that; and the County's position would be it would not have to pay it.

Commissioner Smith stated he is not ready to make a decision today; he does have questions that he would like to formulate further; and he will reach out to County staff and these two principles to ask those questions.

Commissioner Isnardi stated she remembers when the County agreed with the City of Palm Bay over the five-year plan to revert the park; the county realized the fiscal impact savings of \$1.5 million and then an annual savings of \$960,000 plus any capital expenses; the reason why the City pursued taking over that park is because of the failure of maintenance; the County had an incentive to dump it and the City understandably wanted it; she noted the park was built with referendum money, so there is more to the story than the County just giving the City money;

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and conveying a park back to a city who has now brought it up to a better standard is not the same as reverting a golf course back to an HOA or a CDD.

Commissioner Barfield stated that is not what he was trying to say; what he was trying to say is the County is saving money by reverting this golf course now; the County will pay out some for a few years; just like Palm Bay, it is their park and they have a much better opportunity to maintain it to the level it needs to be; the same way with the golf course, the people right there are going to maintain it because it is their golf course; and over the years if the County is bleeding over \$100,000 a year, in 10 years the County is going to save a million dollars that it never had before. He went on to say the County has done the same with Lee Winter Park in Cocoa too; and they were the closest to it, they maintain it, and they have the better resources to do that.

Commissioner Isnardi stated maybe it was not clear, but she noticed these happened to be in Districts three and five; she is not opposed to doing something, but what she takes issue with is the amount; at least for her, she thinks the money is too high for her to feel comfortable; and she reiterated she is not opposed, she is open to a solution, she just thinks that for her to support this, it needs a little more work.

Chair Pritchett stated the Board inherited this, it did not happen on this watch; it is a tough and expensive situation; there are some things that she is more comfortable with than Commissioner Isnardi; they have done some hard work to get to a center ground; she thinks the CDD is a great idea and the fact that they are getting a surety bond for the \$1.2 million, which gives the County no liability at all; and Commissioner Tobia brought up a good point about the interest rate. She inquired if the County were to get an internal loan or get a loan for short term, if the interest rate would be 2.75.

Attorney Knox replied affirmatively.

Frank Abbate, County Manager, stated the consolidated loan that the County recently moved to commercial paper went to a 13-year; in that case Ms. Hayes advised it was 2.75; in all fairness, when the County had its dialogue with the Savannahs, he was going from memory and stated it was 1.20 percent; and in the letter the Savannahs stated they were open to negotiations, they were not demanding it.

Chair Pritchett stated as the County works through this she would like the interest rate to be what covers the County's interest rate; on the \$320,000, if the County is losing \$15,000 a month, there is \$360,000; the capital cost were high at the end and Mr. Shay stated he could get it down to \$600,000 so she took the \$360,000 with the \$600,000 and divided it by three which is \$320,000 a year; she can get comfortable with that number; and she does not know if this is that far off from an equitable agreement. She mentioned this is a tough situation and it is expensive; what this does is it gets the County out of the golf business, which she thinks must be done; if this would have been done in past years, the County would have been free and clear of this right now; she reiterated she is pretty comfortable with this, if the interest rate is changed to 2.75; and she is probably good to go on this today if the interest rate is changed because they are good on the \$1.2 million.

Ms. Bosinger stated the HOA is good on the 2.75.

Chair Pritchett stated she thinks Ms. Bosinger did everything the Board asked her to do.

Commissioner Tobia stated the County would be putting forward money; he wants the County out of the golf business as much as Chair Pritchett does; he thinks the County should roll the \$960,000 into the line of credit; if the County did that then tax payers have no interest seeing

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there is a surety bond out there; the folks have the ability to continue to run the course; and should they decide to move in a different direction, or whatever, that money would not be in the private developers hands; he is not arguing with the \$960,000 not the \$1.2 million, but he is arguing about having taxpayers dollars go to something that has been pointed out in a few different ways, that can end up in not so good public use, that his idea of it all being in a line of credit protects taxpayers and gives the HOA the ability to push forward in any direction they so choose as well as getting the County out of the golf business. He added that would be a compromise with the exact same numbers just in one category instead of two.

Ms. Bosinger stated that would not settle the disagreement between the association and the County as to the level of maintenance that this golf course has been maintained; with the \$960,000, \$600,000 is just to bring the course up to the level where they believe the deferred maintenance is the County's responsibility, even though the County's figures from the Christovich Report and the National Golf Foundation's figures were between \$840,000 and \$1.7 million; they are looking at trying to do it for less money but at the same time, use the \$1.2 million for the bridge and the capital improvements that they would like to make the golf course better; however, that is not going to resolve their difference with the County, if the association is going to have to pay back \$960,000 on top of the \$1.2 million; and that should not be holding the County harmless for the lack of maintenance that has been done to this golf course.

Commissioner Tobia advised as a County Commissioner, not discarding her legal opinion, but he has to go with the County's legal opinion and the Board does not have that responsibility; he understands that she has an obligation to her homeowners, but the County should stick with what the County Attorney says, which is the County does not have that responsibility; he thinks this is a fair compromise to meet the two; and of course she would have ramifications to figure out if her opinion or the County's opinion is correct.

Ms. Bosinger stated Attorney Knox said they would have a disagreement, but at the end of the day they would end up in a lawsuit that is going to stop the reverter from happening as long as the lawsuit is prolonged, because she would ask the judge for an injunction until a determination was made as to the level of maintenance before reversion; all that will do is prolong the County into hanging on to this golf course for unnecessary time instead of coming to an amicable solution that she thinks the County has the funds for through different mechanisms, to get this deal done; and to amicably resolve this issue with the 287 homeowners within the Savannahs.

Commissioner Tobia stated to be fair the \$960,000 that she said is bleeding at \$15,000 a month would give the County more than five years; and while he knows very little about the legal system, he has asked and it appears this would most likely be decided one way or another within that 64-month period of the loss to make up the \$960,000.

Ms. Bosinger stated that is true but they would all just be wasting their time handling a lawsuit, having the County Attorney deal with a lawsuit instead of moving forward to more pressing issues that would benefit all the taxpayers within Brevard County.

Commissioner Barfield stated the County has talked about this for so long as to what it should do; this is the first time something has come before the Board where they have proposed to revert it; he thinks everything is in line and the Board should move forward with this; there still needs to be some negotiations, but they have the interest rate where it should be; and everything has been done in good faith. He continued to say he would like to make the motion to accept the letter of intent with an interest of 2.75 percent and that the Board instruct the development of the CDD in terms of the letter of intent.

Chair Pritchett stated she has cards and inquired whether the Board has to hear cards before the Commission votes.

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Attorney Knox stated if there is a second the Board might want to do that before it has discussion on it again.

Motion dies due to lack of a second.

ITEM II., PUBLIC COMMENT

Chair Pritchett advised she has 20 cards and everyone has five minutes to speak.

Larry Fitzoaru stated he wants to focus on something a little different than how great the Savannah's is and why it is important; he has noticed from two previous Commission meetings, a tone or an attitude from some that the Savannahs homeowners are the bad guys and they somehow colluded with someone to give themselves a good deal here; as was said, this happened 29 years ago; he was not here and he dare say 99 percent of the Savannahs homeowners were not there; he bought a house that was on a golf course; and the contract with the County said for perpetuity. He noted at one of the meetings a comment was made to look at the title insurance; he looked at his and his title insurance says nothing about a golf course, which like he said, he was not buying a golf course he was buying a house; \$150 annual dues has been beat to death; they all know their assessments are going up and not by just a few dollars; when they bought in to that it was not part of the deal, but they can see the County's position of wanting out of the golf course business; and they are doing what they can to help make that happen. He continued on to say the homeowners, the HOA and the HOA Board has stepped up; they are willing to do what they have to do, even though it is painful; it seems like there is an attitude that came across as too bad for the homeowners; he really hopes this can be worked out by the end of the day for everyone's benefit because no one wants to turn this into an expensive court case; and there was a comment made that \$150 a year does not buy much from a lawyer, which is absolutely true. He went on to say they are already signed up for increased assessments; and he really hopes the Board is willing to work with the HOA for the deal that has been offered.

Stewart Capps stated he is on the board of directors for Aquarina, the golf course eight to 10 miles south of Spessard Holland; he suggested that one of the things in the Savannahs presentation that the Board may want to consider is to put a reverter clause in the deed so that if they do not operate as a golf course, it will revert back to the County, so there is no problem with that; he thinks they can succeed in their golf course just like Aquarina has done; they have had tough times and fought hard; with regard to Spessard Holland and the Habitat, he is not so sure that a non-profit is the way to go; he suggested the County lease it out to a private golf management company that runs many of the facilities; the lease could be in an operational format that the County would choose; it could be zero based for the first few years then it goes up where the County could actually make some money; and a he stated a non-profit with people who have not run a golf course is a difficult situation to succeed. He noted the three C's of lending, the first being character, there would be a 501(c)(3) that does not exist so there is no track record; a professional management company does have track record and there are many that he feels would do a competent job; one of the things that Aquarina has had an issue with in the past is they are competing with Spessard Holland and with the County subsidies, it makes it difficult because it sets its rates at a level where they have to compete with them; to get a professional management company, he thinks it would be more of a level playing field for all of those communities; and he mentioned he had read the same article about the Baltimore model and he does not think it worked that well, at least not recently. He added more people here will probably end up playing at Spessard Holland if the County had a professional management company run that facility with Habitat, with their experience and their economic scale.

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Kathy Thompson stated she would disagree with Mr. Capps analysis; she and many in her community believe in Spessard Holland and believe that the non-profit is a serious business plan that needs to be taken seriously; they are all in to support it and are prepared as the golf community, to do whatever is necessary to make this business plan work; she speaks on behalf of those who golf on the beach, those who support Spessard Holland; they just had a wonderful golf outing bringing the golfers in and having festivities at the clubhouse; and for those who golf there every day, their social community revolves around Spessard Holland. She went on to say she thinks what happened with the earlier management company as everyone knows was not a wise decision and they all suffered from it; and she asked the Board to consider the Baltimore plan; those who golf there every day believe they can take on this project and make it very profitable; and she commented for the Board not to underestimate its constituents when it comes to this decision.

John Richardson stated he is a member of the Savannah's Partners; he thanked staff, the Board, and their aids for taking the time to meet with Mr. Shay and himself to discuss the aspects of the courses; he would hope they could get at least three of the Commissioners to work in and support the Savannahs HOA and its partners; to do that the Board will get rid of the Brevard County albatross that has been hanging around its neck for a long time; and he stated for those non-golfers, an albatross is actually a very good thing in golf.

Andy Bloudin stated he is just a golfer; he plays the Habitat; at one time they had a group of people they called the Sunday Sinners; they would golf at daylight and try to be out by 10:00; that group through the years has diminished and recently he is with a group now where they do the same thing, tee off at daylight; the group is on average of about 21 - 36 people; they pay their dues and all have the golf card; and he would hate to see the golf course go down. He mentioned he would like the Board to keep his golf course not just for him as he will not be here much longer, but for the people who follow. He noted he started golfing 60 years ago and as time progressed that golf course was given away to commercial, but before they did that a brand new golf course was put in about five miles away which they all used; and to this day the golf course is still there and paid for by the County. He continued he does not know if \$42 is a good bargain, but he has paid a lot more at other golf courses; and he likes the idea of paying \$42 and he could even stand to pay a few more to keep it open.

Ron Marsch stated he has been part of the Golf Brevard steering committee since inception; there has been a lot of hours and a lot of hard work put into this by a lot of people; there are a lot of people behind it; as everyone knows it is not this Boards fault, it is Brevard County's fault over the last 29 years and it is a hard situation to deal with; as part of his job on the steering committee is to investigate the cost of deferred maintenance on both courses, Habitat and Spessard Holland; some of the deferred maintenance was presented by Mr. Christovich and his report, and the other by the steering committee; and as of this time there is approximately \$800,000 of deferred maintenance on both courses, not including every item on the Christovich Report. He added there is almost \$200,000 alone on two pumping stations; over \$400,000 on bunker repairs, especially at Habitat where the front nine holes have no sand; those sand traps have to be dug out, removed, drained, checked, cleaned, and have sand added; and there are numerous other items on the list. He went on to state it just shows how much the County neglected the courses; there is money in the County budget for golf course, which some have shown returns, but there is no return on County Parks nor boat launches; and he asked the Board to give Brevard County taxpayers the chance by allowing their tax dollars to go to keep the course open.

Raymond Godfrey commented his parents had wonderful times at Spessard Holland; he questioned what his parents would say, if they were still around, when he saw the news article; he thinks they would be raising the flag for a sense of community; it feels like everyone needs a lot more of that these days, nationwide; he thinks they would be stressing some science based

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approaches to public golf courses that might reduce the cost ultimately of caring for the golf courses; and he thought of some of the stuff he learned from the US Green Building Council (USGBC) and the Florida Solar Energy Center (FSEC). He continued the USGBC taught them about drought and salt tolerant plantings, how to do landscaping with minimal fertilizer or pesticides, and much reduced water usage, all things that could help save golf course management costs; FSEC got them thinking about solar panels; and they also taught them about things having to do with smart clubhouse and facility designs. He went on to say he had a personal experience with a golf course out west where people went in and knocked down an old clubhouse that used to be full of people, and they replaced it with a large mausoleum and the participation rate dropped off below 50 percent; therefore, smart design has to do with people; and he noted he played his first round of golf ever at the Melbourne golf course back in the 60's.

Patrick Pollock stated he is the President of Aquarina Community Association; Aquarina Beach and Country Club is a community of 385 homes right now and they are built around a golf course; the community stretches from the ocean to the Indian River Lagoon (IRL); their golf course touches 14 of the 18 sub-communities making it is very important; it is the second highest motivation factor for people moving into Aquarina; they are aggressively improving the course very much like the problems the Savannahs have with their course today; Aquarina purchased their course in 2012 and it was essentially fallow; and it was in disrepair and had been through multiple managements/ownerships in the prior three years so they were in essence starting from scratch. He continued the reason they are putting money into the golf course is because failure of the course is not an option; the financing they used to purchase the course contains covenants that require them to do it; Brevard County, by subsidizing its golf courses, has damaged Aquarina financially; there is no need for golf courses that are County run; there are 28 golf courses conveniently located throughout the County with plenty of competition and alternatives; and the economics of the County run course has been talked about today and it is not viable. He advised golf is a diminishing industry with diminished popularity, a diminished number of participants, and it continues to go down. He stated the County does not belong in the golf industry competing with private golfing organizations; basically, the County is selling a product below costs; there are direct subsidies, which are the numbers that show up in the Christovich Report, but there are a bunch of hidden subsidies that are being paid for by the taxpayers, no recognition of the cost of the property, no real estate tax, no sales tax on purchases such as chemicals and fertilizers which are all things the private golf courses have to pay for or any other private organization would have to pay; and basically as a competitor they have to match that because three-quarters of their players are from outside of their community and they generate about 24,000 rounds. He went on to say they support the findings of the Christovich Report and they believe transferring the Savannah's course to the Savannah's is the correct thing to do because it works; Aquarina is a good role model for them, they have made it work in their community; and they would be happy to work with them and give them insight on the lessons they have learned. He stated they think the other two courses should be taken private and if not taken private, then at least remove the subsidies and let them compete on the same basis as everyone else does.

Ann Bruns stated she holds the volunteer position of vice-president of Aquarina Golf Incorporated, the corporation which oversees the golf community owned businesses including golf operations; the comparison of Aquarina to Spessard Holland starts with Aquarina being in direct competition with Spessard Holland, as shown in the handout; Aquarina is a par 62 executive course and Spessard is a par 67 executive course; both are open to the public, both draw from the same geographic market on the barrier Island of Melbourne Beach, and they are located less than 10 miles apart off of A1A; Aquarina has a full service restaurant and bar while Spessard has the snack bar; Aquarina is increasing its rounds of play and Spessard is decreasing as everyone has heard today; they are investing heavily in their course for the future while Spessard is deferring maintenance and experiencing increasing cost and a widening budget deficit; golf is clearly very important to the residents of the community; many of the

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residents could tell stories of how golf, tennis, and other organized activities offered throughout the area are great ways to create long lasting bonds; and it has happened at Aquarina and it probably happens through play and leagues offered at all 28 golf courses throughout the County. She added the Aquarina resident commitment goes even further; they held a community vote to operate and purchase the golf course themselves when it was sold by the developer and then quickly thereafter closed; they borrowed the funds to purchase the land, formed the organizational structure to rebuild and reopen the course; they were able to do this because of the tremendous support from the residents who willingly and consistently volunteered their time and talents; it was this support and true dedication that allowed them to overcome several challenges along the way and bring the golf course back to its current condition and achieve today's operational progress; and she suggested the Board take the word from a community that knows. She went on to say the deferred maintenance that has been mentioned, and is documented in the Christovich Report, creates a very expensive recovery; they all recognize there are direct taxpayer subsidies provided to bridge the budget, however, there are also indirect subsidies such as real estate taxes and personal property taxes; they understand the County may be performing work at the courses, such as Road and Bridges, repairing cart paths or providing resurfacing of a parking lot; the rounds played at both courses from 2012 and on, from 2012 they reopened so Aquarina starts at zero and Spessard Holland had 47,000 rounds that year; in 2017, Spessard dropped to 34,000 rounds and Aquarina increased to 20,000; the numbers to date indicate that Spessard will finish 2018 below the budgeted rounds at 30,000 or less and Aquarina will finish at 24,000 - 25,000 rounds; the gap in annual rounds between Spessard Holland and Aquarina has decreased from \$40,000 to zero at the very beginning to now less than 6,000 rounds a part; the comparison of Spessard and Aquarina over the next five months is provided in the pamphlet; and the course performance for the same time a year ago, the blue line is last year and the red line is this year, and as the data shows Aquarina is strongly gaining rounds while Spessard is losing rounds. She mentioned the increasing slope of Aquarina's month-over-month trend predicts a bright future compared to Spessard's significant losses. She stated the bottom line could be summarized as golf is declining nationally, players in this area are likely playing both the County and Aquarina's courses, however, Aquarina is taking share because in January they were up 17 percent, and up 28 percent in February where Spessard rounds have been decreasing; if Spessard lowers their prices to attract business then the revenue is less, there is a larger deficit from the budget requiring a higher taxpayer subsidy, and causing more deferred maintenance; less than one percent of the County residents are playing golf on the three County courses; and 100 percent of the County taxpayers are subsidizing those courses. She inquired given the data she has shown, how the Board could think Spessard will meet the increased forecast of \$260,000 in profits while the real year-over-year rounds played to date are down 19 percent.

John Miller thanked the Board for its hard work and thoughtful deliberation on this issue and so many others. He stated most of what he was going to say has been said by other speakers; he thinks a little bit of their experiences can be applicable to the situation the Savannah's is in now because they are roughly equivalent in terms of their size; they talk about having people with fixed income and their community has the same; these are people with fixed incomes who are comfortable; in Aquarina's case they had to buy their course after the developer went belly-up; he had sold the course to a private individual who closed it; so basically they had no choice other than to buy it; and they paid a lot of money for it. He noted they ended up with a large mortgage, a course that was in terrible shape, a substantial operating deficit, insurance, property tax costs, and other things; they have been paying down the bank note, investing to bring the course back into beautiful condition, fixing their many, many deferred maintenance problems, and subsidizing a yearly operating deficit; they could subsidize the course less, but they continue to put money into the course because they want to continue to beautify it and bring the course into a very high standard for the players; and this effort that has been committed to cost the homeowners \$712 per year and he advised that is to pay off the note, the deficit, deferred maintenance, continuing maintenance, and payroll. He continued to say that is

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a little perspective of what it would cost a community to maintain its own course; the Savannah's would certainly improve their community because Aquarina did; they could run their course much better, more efficiently, and much more competently and certainly less wastefully than the County has proven it can do; he stated the level of volunteer-ism has brought their community together creating friends, better neighbors, it has been wonderful on every level, and they have found out they have an enormous amount of expertise in the community on things like insurance, construction, government, and other things; and he reiterated it was a great community effort.

Becky Wagama stated she just wanted to plead with the Board to keep all three courses public; the lower cost is really important to a lot of people; and she thinks that access needs to be maintained. She continued she has played all the course being discussed and most of the private courses in the County and to her Habitat compares favorably to any course despite the maintenance deficits; it is a jewel to the community; her and her husband golf as a twosome and probably 80 percent of the time they hook up with people from out of the area; many of them say they come there because of the availability of public golf and the good reputation; she thinks the collateral economic benefit is that people are staying somewhere, and eating some place, and their families are going to movies or playing golf with them, and so forth; and there is low cost instruction that is offered at only \$15 for a clinic. She noted that opens up golf to high school students, retired people, and all kinds of people go to that clinic; and she believes the non-profit solution would pour money into things like that so people would then go play golf and bring value to the courses.

Sharon Don Diego stated she is president of the Tuesday Women's Golf Association at Spessard Holland; her husband passed away 10 years ago and many of the women she plays golf with do not have husbands; they lose the Social Security and frequently lose their pensions as well; and Aquarina people are not in that position. She went on to say they have better pockets than most; all the members of Tuesday Women's Golf Association come from Melbourne, West Melbourne, and Indialantic; Aquarina is just too far and they do not have the money; the County courses need to stay open; she thinks Mr. Becker's idea is wonderful; she used to be a banker and as far as lines of credit, she issued them without collateral because they had people that they knew had the understanding to pay it back; and she mentioned a lot of Brevard County would not have what has been built, had the bankers not given out unsecured lines of credit. She continued on that her and many others are on a conservative budget and cannot afford to play Suntree or the Aquarina golf courses because it is beyond their means, but they need something to keep them going and as part of the community; and she asked the Board to do something for them.

Jean DiGregorio stated her family vacation is ultimately bought in Melbourne Beach primarily because they are all avid golfers; she averages one to two rounds of golf at Spessard Holland so she knows that course very well; she can attest to the fact that Spessard Holland has provided tremendous recreational opportunities for her and her family over the years; and it has also created a sense of community within the leagues that participate there. She noted for a lot of them Spessard Holland is a community hub not just a golf course; it is a place to meet with friends, spend time together, and spend some money; she spends about \$1,000 a year at Spessard Holland so she has a vested interest and is putting her money where her mouth is; she pays taxes and as a taxpayer she does not expect the tennis courts, boat launches, playgrounds, and everything else her taxes pays for to actually pay for themselves; she knows there is a subsidy through societal benefits that they all reap whether they have young children or not; and now as a senior citizen, she is asking the Board to support a recreational opportunity that she benefits from along with a lot of her friends. She stated she just wanted the Board to know what Spessard Holland means to her and she asked to keep the golf course open.

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Ed Muendel stated he is a golfer and has been a resident of both the County and Aquarina since 2002; the comments he is making today are the feelings of the vast majority of the golfers at Aquarina and many of its residents; he thanked the Board for taking on the Christovich Report and the hard work trying to resolve the issue of the golf courses in the County; years ago when the developer failed at Aquarina, he was on the first board and they came to the County and pleaded with the County to take over the operation or help those at Aquarina; and the Commissioner at that time stated in no terms would the County even consider another golf course because it had too many and none of them made a profit. He communicated that was probably over 10 years ago and the trend has probably worsened since then; the rates at Aquarina and Spessard are identical and depending on the hour of play they may vary by a couple of dollars, but it is no cheaper to play at Spessard or Aquarina; and the majority of the residents at Aquarina have relatively small condominiums and people are on fixed incomes, although there are some larger homes around the golf course and they are probably more capable of paying higher fees. He continued on the chart that was provided to the Board, the first bullet states the current and future golf trends and profitability of the County; golf operations cannot be achieved by any model he has heard today, whether by non-profit or a profit because the trends in golf interest and demographics have not been addressed; something has to be done to create better interest; and there is not much more room for further development at Spessard to bring in more golfers, maybe at Habitat and Savannah's there is. He stated the second bullet states that south beach Spessard Holland cannot compete with Aquarina; they have a unique community and a model that they work off of; some of their residents are paying, they have a motivated resident base who are willing to make capital investments with successful running of the golf course, they have a full service restaurant to offer that the other courses do not have, and the result is an ever increasing share of walk on trade; and they will continue to do that. He noted the bottom line is Aquarina residents are not going to let the golf operation fail. He continued the fourth bullet is an interesting statistic, one percent of the County population that are playing at County sponsored courses are being supported by 100 percent of the taxpayers money; that is a big number and it really hurts the operation of Aquarina; Aquarina is competing against other golfing organizations that are getting subsidized through direct and indirect services from the County; and the last bullet states they believe the County should implement the Christovich Report and close Spessard Holland, go forward with the Savannah's proposal, and at last sell or lease the Habitat golf course.

Michael Valley stated he spent his entire career in education in a suburb of Chicago; his family would come down yearly to Daytona Beach, Florida; they always knew they wanted to retire in Florida; he had the opportunity to retire in 2005 and they immediately headed to Florida; they looked at 20 properties in Daytona Beach and Edgewood, and all the way down when they reached the Melbourne/Palm Bay area he asked the realtor to take him to the golf courses; he started playing golf at 17 and fell in love with the game; when he was taken to the three County golf courses he fell in love with all three of the courses; they are so unique and different from each other; and when the opportunity arose to buy in with a special package to play all three golf courses sealed the deal of why his family moved where they did. He noted the opportunities to play golf have forged great relationships as many have already spoken about; it has become a community of relationships as a way of life; the Board has two viable proposals, one from Golf Brevard and one from the Savannahs; he knows for the past number of years that there has been problems with all three courses in terms of finances and so forth; these golf courses are a gem and now the Board has two proposal, which sound like to him are workable with some more negotiations; and he pleaded with the Board to not let the opportunity go to save the courses because it will in the end get the financial responsibility off of the County.

Bob Armbruster stated his family moved to Florida in 1960, and he has lived at the Savannahs for over 20 years; he heard them saying customer service is hard to find but a person knows it when he or she sees it; he thinks on a golf course it is customer service; he served on the Golf Advisory Board a couple of tours; and there is a proposal from the Golf Advisory Board to the

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Board asking to go with the Savannah's Partners Group which he is member of. He continued it is a chance for them to give back to the County; they hear a lot about the golf courses and the County wanting to get out of the golf business; that may be, but this was inherited by the Board and it is of no fault to the current Board; the Savannahs has not been maintained; years ago, they had to have the Sheriffs farm guys put the course back on its feet, it was so neglected; and one thing he found out about customer service is when people neglect their responsibility, people leave. He added it is the owners obligation to take good care of the people, and the County did not do that; for those who want to get out of the golf business, he thinks they should get over it; the County neglected the Savannahs and put the people in this mess where they have to have all this money; Commissioner Tobia stated the \$11 million could be better used for the Lagoon and the infrastructure; he stated the Lagoon got in the mess it is in because it was neglected, and it got run down, just like the golf courses; now the money is needed to help put it back in shape so the County can provide a good service and a good round of golf for its customers; those Aquarina people want to close down the course to increase their market share; and he is not out there asking to shut down a course to increase their market share, they are out there trying to take care of their customers. He stated in the past the County Commission has not always supported the Golf Advisory Board, although it appointed them; and he would hope this time the Board will listen to them.

George Geletko thanked staff for the job they have done in being supportive and the Board for its hard work. He stated he is the Chair person for the Golf Advisory Board; as they look at the Baltimore model when it was developed in the mid-80's, it was moving upward and the model worked; when golf is in a 20 percent decline he does not care what kind of business model someone has, it is not going to work; that is where Baltimore is at today, but not where Brevard County is; it is a growth market, Titusville is growing, Viera is growing, and Palm Bay has potential growth opportunity and they are going to grow; when looking at Brevard County's economy with all the aviation and space technology coming in, the average income is going to rise, and when that happens there are going to be people participating in golf; and he would like to talk about a success story. He continued he has been a member of Suntree Country Club for 15 years; seven or eight years ago when the country was in a decline they talked about selling off the golf course; now they are just about at capacity, only 15 members shy of shutting off any more growth; as he looks at the six percent decline in golf nationwide, that does not impact Brevard County; he thinks the prospective for golf in this County is going to be great over the next 15 to 20 years; and he thinks, as Aquarina and Suntree have done with great management in place, that these golf courses can survive. He went on to say the General Manager has played on a professional tour for 13 years; he went with Parks and Recreation Director Mary Ellen Donner to all three golf courses, which he had never been to Habitat, and stated that golf course has fantastic potential; he thinks by going with the recommendation of the Golf Advisory Board for a public/private partnership will be a long term endeavor; and he believes that these entities have the right management in place, they have a huge interest in what is needed for Brevard County, and they have the support of the Golf Advisory Board in their efforts. He mentioned he appreciates the Board's hard work; he knows it has tough decisions to make; there are infrastructure challenges; and he knows the Board will work through this.

James McDede stated he really did not have any comments when he came in today; but he has a few reactions to the discussions today, one of which is each of the Board members represents a group of taxpayers in the County; some of members do not have any golf courses in their districts, but in talking about reverting the Savannah's Golf Course, they are financially on a per capita basis, taking on about \$180,000 per year loss; spread that across 540,000 people which is \$.33 cents a year and depositing it on 287 households in one subdivision which works out to be about \$627 per household in the Savannah's; when talking about gains and losses for taxpayers he knows who is losing, the taxpayers in the Savannahs; they are going to be paying part of the property taxes, which is \$20,000 a year and \$70 per household; and if there continues to be losses, as they expect for the first couple years, those will be financed by the

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loan and the County has no risk if it is ensured by the surety bond. He continued the homeowners would be assessed to pay the interest and principle on that loan to pay back the County; the homeowners in the Savannahs are paying \$600 per year for the golf course and each homeowner in the County is saving \$1 per year; the public/private partnership being talked about has to have skin in the game for both the County and the HOA; the County does not have the risk even though it is helping by putting up the money; what they need is the fairness and cooperation of the County; it was very clear by County Attorney Scott Knox that the County has no obligation, it could revert this to the homeowners and walk away; he noted that if the \$150 HOA fees that the homeowners of the Savannahs are paying now along with the \$600 assessments that they will be going to pay, the \$70 for property tax assessments, and the yet to be determined operating loss that they will be paying on a yearly basis breaks household finances of the homeowners, people are going to sell their homes at a loss; some people will abandon their homes and walk away, and the County will be looking at lower property values, foreclosures in the neighborhoods, and lower sale prices; although the homeowners lose, the County will lose its tax revenues, because if their assessments go down the tax revenues go down; and he reiterated the County needs to cooperate.

Arthur Spurrell stated they had 221 votes out of 287 and he asked the audience how many of those votes were no. He stated what that says is there are a group of people coming together; he agrees with Commissioner Tobia; he does not play golf, but this was a no-brainer proposition which allows the people in the Savannahs to help control their own destiny, and gets that albatross off the County's back and allows them to move forward; Suntree Golf Course is financially successful so golf courses can be financially successful if they are properly maintained, marketed, and managed; what the County has demonstrated over the last few decades is its fundamental inability to do that consistently; Margaret Mead stated, "Never underestimate the power of a small group of thoughtful, committed citizens to change the world, indeed that is the only way change ever happens;" Martin Luther King Jr. once said, "Change does not casually roll in on the wheels of inevitability, it comes through continuous struggle;" and what they have is 77 percent of the people saying to do this. He added there is a committed citizenry that is willing to take on financial responsibility and to do the struggle to move forward to get the albatross off the back of the County and make this thing something positive, not just for the Savannahs but for the entire County because it will maintain itself as a positive asset; the County may be working very hard but what it feels like is, instead of supporting and enabling this group of people committed to work together, spending their own time, their capital and their energy to improve the County, the County is placing stumbling blocks in front of them so they come back with something even better for the County; and he asked what is it that is good enough for the County. He stated lead, follow, or get out of the way.

Daniel Whitmore stated he wanted to bring up a point of view that has not been discussed; Commissioner Tobia said he was not a golfer, but he himself is a little more of a golfer than Commissioner Tobia; he has played 17 holes and ran out of golf balls; that is his golf experience; however, he is the dad of a five children and three of which have autism. He continued his children have played baseball, softball, soccer, and golf is the one thing they have come to appreciate; it is a game they can play themselves; it gives them a little more freedom; if they have had a rough day they go to the golf course; and if they did have a good day, then it is a great reward. He went on to say his son plays at Habitat and has been playing for about six months; they allow him to play at very low costs; the difference between running the golf course through a partnership or a non-profit is that they are a group of people who are dedicated to golf; they have tried some different courses for fun, but the Habitat is a little different experience because they are accepted there; it is nice to see people of varying ages playing together; and they are quite amused at the nine and 11-year olds playing golf; they are appreciated at the Habitat, where at other courses people get annoyed that they are there and in the way; and while golf is dying at many courses, Habitat is being used by a lot of high school children, private school children, and home schooled children like his. He mentioned if anyone goes to

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Habitat they will see a lot of youths playing there and that is something that is made available by the low cost.

The Board recessed at 3:54 p.m. and reconvened at 4:06 p.m.

ITEM III., BOARD DISCUSSION

Chair Pritchett asked Sonia Bosinger to come forward. She stated part of the struggle going through the information is the \$360,000 times three; and she inquired if it would be possible, if they get the money up front and start making money, for a percentage to be repaid over the CDD life of 25 years.

Ms. Bosinger responded the association is negotiable; that is one of the things they would like from the Board today; they want some feedback so they can enter into this agreement, because they do not want to waste anymore of County staff's time; they have spent a lot of time coming up with a simplified solution for the Board, where they are negotiating with Savannah's Partners on the outside to keep it from being complicated any further with the County; she knows the association is amenable to having the fifteen-year loan, so as soon as they are making a profit they can pay that back faster; and they are also amenable, which may help Commissioner Tobia's request, that during the loan repayment period, if it is a full 15 years, they would maintain it as a public golf course. She added she knows that is something the Board is concerned about. She continued that is something they can do to make the Board more comfortable; and as far as the \$320,000 payments and paying back the profits, she would have to talk to the association to see if that is something they would be willing to do.

Chair Pritchett stated that is negotiable, and not coming out of revenues, because she understands they have to have some income; if it does very well, then maybe that could be a possibility, then it would be a win, win to everyone; and it would solve a lot of issues that she is hearing about the money being upfront. She continued she does not have heartburn over that because she knows the County will lose money if it holds on to this like it is right now; if that is a negotiable item it may help; and another thing she thought of is if the golf course was sold in five years or less for a huge profit, then the County would be able to receive back some of those funds.

Ms. Bosinger stated in theory she does not see an issue with that because the association would be happy to get their grips on this golf course so they probably do not have any intentions of selling it.

Chair Pritchett stated she did not hear that, but she thought from a few conversations coming from fellow Board members, that she would ask.

Commissioner Tobia stated he thinks one of the first speakers inadvertently mentioned the low amount of dues they pay and equaling the quality of the attorney; he thinks Ms. Bosinger has done an absolutely fabulous job; he does not think most people know what she has been put through; he noted she has a relationship with the 200-plus homeowners, also she is juggling the Savannah's partners, and this Board, who cannot get together and talk; and he thinks while the County Manager, Frank Abbate, Budget Office, and County Attorneys Office are in a tough position, Ms. Bosinger is in one as well. He noted he had a closed mind on this; Mr. Shay and Ms. Bosinger have come together quite a bit; it was he who threw the carrot out about litigation; if the Board were to revert it back, he imagines it would be Ms. Bosinger's intent to have some sort of injunction until that decision would be made; and he inquired if that is a fair assessment.

Ms. Bosinger replied affirmatively.

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Commissioner Tobia inquired in her legal opinion how long she thinks it would take in order for a lawsuit to run its way through the courts until there was a definitive outcome.

Ms. Bosinger stated the legal system is a very slow moving train; she anticipates these types of cases would take at least 24 months; she has no control over the 287 homeowners that may bring their own actions against the County because they in fact are a third party beneficiary of this agreement, when they purchased the property; she does not know where that will go; and she is not prepared to speak about that, however, she knows that would be out there, because it would be a concern. She added it is not just a suit from the HOA; she is not there to threaten, she just thinks they need to be practical and realistic as to where this outcome could go which is why she believes an amicable solution where they are executing a hold harmless is in the County's best interest; and she reiterated she cannot provide legal advice, but with those other lawsuits, that may tie up the County for a decade.

Commissioner Tobia stated he understands Ms. Bosinger is working under the guidelines of people with fixed incomes and that have gone out of their way to say they are willing to pay extra; he thinks there is a way, if the County were to get some sort of insurance; Ms. Bosinger stated 24, he will state 30 months for the lawsuit, the County would be losing \$15,000 a month, and assuming Ms. Bosinger won, that is \$450,000; even if the Board were to dump it or revert it, the County would incur that expense, if the injunction went through; and if the Board were to go with the \$450,000 instead of \$960,000, with a delta of \$510,000, and that delta was added to the line of credit, and for 15 years at 2.75 percent for the \$1.2 million line credit would yield a payment of about \$8,143 per month; and he stated if that were to increase to \$1.71 million, the delta between the \$960,000 and \$450,000, and extend that for the full term of the CDD, 25 years, that would actually lower the payments to \$7,880 a month at about \$1 per household. He went on to say maybe the County could pay the \$330,000 and the \$120,000, that would be up to the Board, but he is trying to be fair looking at the cost the County would incur; this would not help Ms. Bosinger out but, it would help out the people she works for because they do not want to go through attorney's fees over and over again; whether it went to maintenance or not, it would not matter because the numbers would stay the same, it would just be shifting, if the County is going to incur the cost; and he would rather incur the cost that would help the homeowners than what it would be to go through the legal process. He stated he would be glad to explain; he thinks that brings it pretty close to what he wanted; he was ready to revert the course totally just a few days ago; and he just wanted to throw that out to the Board to get its opinion.

Ms. Bosinger stated the only thing that is not part of Commissioner Tobia's equation is the \$450,000 that the County would have to pay, the \$15,000 that is bleeding per month, if the County loses and the judge says the County does have to do the deferred maintenance; now the County would be spending the \$450,000-plus whatever estimate the court comes up with for the deferred maintenance; those figures from the National Golf Foundation are \$834,000; and the agreement between the County and the association says that the National Golf Foundation is the entity that determines the level of maintenance. She went on to say that would put the County in a position where it may end up paying more; she is sure County Attorney Scott Knox would say see you in court; however, that is the view point she would take, so it is a much riskier position for the County not to take, versus the plan that has already been proposed, where it does not matter who wins or loses, the County is out of it immediately. She noted if there are hurricanes in September, the association has the burden.

Commissioner Tobia stated he was told that Ms. Bosinger would have to post a bond for the injunction amount.

Ms. Bosinger replied affirmatively.

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Commissioner Tobia went on to say Attorney Knox is telling him that the County would potentially win, and if that were the case, then the County would get that \$450,000 back and not have to pay the \$850,000.

Ms. Bosinger stated she does not think there is anything in the agreement that would allow the County to receive that amount back for the \$15,000 in deficit maintenance, what the County would pay while the judge determined he is not going to make a ruling and put an injunction on the transfer of the golf course reverting back to the association; and she noted that is her legal opinion.

Commissioner Tobia stated he greatly appreciates that; this is a lot closer; Ms. Bosinger put out her first offer and anyone would be crazy to accept a first offer from a car dealer; he understands that she probably comes in good faith; and he appreciates the counter, it is very informative.

Commissioner Isnardi stated she would revert back to her original question; she thinks this was talked about for a moment; her concern is the HOA gets the course up-to-date and then decides to sell it; they have up to 15 years to keep it, but the argument is, this is a public asset that the County is responsible for and rather than the Board reverting it back to the HOA; she inquired what guarantee does the County have, or if Ms. Bosinger believes the HOA would be willing to at least make every best effort to keep it open as a public course, or not selling it for 10 years because if they were to pay off that loan in three years, then they could just sell it; and everyone knows what happens when management companies take over.

Ms. Bosinger stated she thinks the association would absolutely be open to not selling it within a certain period of time with the condition that if the course starts to fail that is the last resort before filing for bankruptcy because she thinks they should have an out; that is not the circumstance Commissioner Isnardi is talking about, where it becomes so profitable that they want to sell it to make a profit on the land; this would be a contingency that could be drafted with the County Attorney where it states if it were in dire straits, golf is on the decline and there really is not enough rounds to sustain itself and it makes sense to get out of it; and she thinks that is only fair, as the County is trying to get rid of it. She added she thinks for a period of time that could work.

Commissioner Isnardi stated this is an asset the public wants and maybe 10 or 20 percent of the HOA plays on the course, so for them to say it is a public course and turn around and sell it would be very sad; she has seen golf courses fail in PUDs before and it is a shame when it does happen; but she would like to see that protection in the agreement, a minimum of 10 years; and obviously the County would be reimbursed for all monies even if it were sold because it is failing. She noted she wants to work with them; she thinks they need to work toward making it fair and equitable.

Ms. Bosinger asked if Commissioner Isnardi would be more comfortable if they added to the letter of intent that the association would be willing to keep it as a public golf course for at least the next 10 years unless they are in dire straits and have to sell it because they are on the verge of bankruptcy and if she has any other issues that they need to work with.

Commissioner Isnardi stated well it is that; if they are selling because it is failing she wants to make sure the County is the first one paid, before the HOA is paid back; and she mentioned the County does not want the golf course back because the County has no business running a golf course, it is not very good at maintaining them.

Ms. Bosinger reiterated that is the point of the surety bond over the golf course property; it takes the County away from it ever reverting back to the County; and if they default on the loan the

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surety company will go in and sell off that piece of property. She added the County will be paid first and they are left with who knows what.

Commissioner Isnardi stated then maybe perhaps they could go in the middle of the number Commissioner Tobia proposed and the \$960,000; this golf course is nowhere near her District so she will defer to the other Commissioner of that District to have a little more say over it, because it is his area; however, she would be okay with that, if they were somewhere in the middle and the County was protected. She reiterated the County should never have done this in the beginning; she thinks the Board should just fix the problem; and hope the HOA can bring it up to the beauty that it once was.

Ms. Bosinger inquired if the Board has a figure that it is more comfortable with, because she is trying to resolve this.

Chair Pritchett stated she has an idea, since Commissioner Tobia threw that out there with a potential of the County losing \$450,000, she knows Ms. Bosinger got an agreement with the homeowners to be able to do a \$1.2 million line of credit; she inquired if they could work out an agreement with the other \$510,000; she stated if the golf becomes profitable that there would be a percentage that would start coming back to the County to make that up; she thinks maybe that would be negotiable and minimal to get this done; and that would be the compromise with the \$960,000. She mentioned she is just throwing out ideas to get three votes to move forward.

Commissioner Barfield stated he loves to negotiate but there are a number of different options coming up here; he thinks it might be best to let them go back and bring some different options and reductions to the Board; and he would request they come back on March 20th.

Commissioner Smith stated he agrees with Commissioner Barfield and that was what he was eluding to earlier; this has been helpful for him; it raises a lot of questions, thoughts, and maybe solutions; and if they could come back to the table after having a chance to talk to staff, then he thinks everyone would be better off and may be able to come to an agreement.

Commissioner Isnardi stated she does not know if the Board is going to move on to the other courses, but she asked that the Board work together; it is easy to quickly forget about the other Districts and the people who live in the other Districts that benefit from these courses; she asked that if there is a compromise from her District that there be compromises from other Districts because she would never have chosen the route to be in the golf business at all but if there is a solution to get the County out of the management of these courses she would prefer it; and she thinks the private/public partnership could be a good thing. She noted she was against it in the beginning; she spoke with Mr. Becker and they just want to have the courses; there is no benefit to them, no salary for them, all they have is the time and the love of golf; and she hears that her constituents golf at these courses although they are not located in her District. She mentioned this is the most crowded she has seen the room on one issue since she started as a Commissioner, so that tells her something; not one person came to the podium to say they did not want any golf courses; and that is how much these courses mean to people, so the Board has to listen whether it likes it or not and whether it agrees 100 percent or not.

Chair Pritchett stated what she is hearing is that the Board is hoping the Savannah's HOA and Mr. Becker will come back to the Board with some options at the next County Commissioner's meeting; maybe they will get with staff to make sure the Board gets their ideas ahead of the meeting; what is good about this is that everyone throws out their top 10 thoughts to see which ones stick; and she thinks the Board will get through this at the next meeting and have something that will work out because she is hearing that everyone wants to work hard and work together. She mentioned the Board may get through the golf course business in 2018.

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Commissioner Isnardi stated she does not know if everyone is finished because she wanted to see if anyone had any questions for Mr. Becker; as much as he tried to eloquently explain everything, she is sure there were things that were missed; there were discussions about accountabilities and transparency, and the County having enough control if things are not going as the Board wants; part of the reason she was willing to be open-minded with these courses, which are not in her District, is because these courses cannot just be put up for sale, there are property issues with one of them and Spessard Holland is a very successful course; and she knows that Aquarina has a personal vested interest in ripping down Spessard Holland. She noted although she does not like government competing, this is getting government out of the golf business, turning it over to a non-profit, and they have nothing to gain except a beautiful golf course. She deferred it to the Board in case there are questions or concerns because she wants this to work; she stated if the Board is going to find a way to go over it and battle it out with the Savannah's then she thinks the Board owes it to this non-profit that spent many hours with her staff; and she is not sure what the plan is for management, she was very impressed with the people they brought to the meeting, one who runs a very successful course here in Brevard; and she is excited because it provides her a glimmer of hope that it is just going to get better.

Chair Pritchett stated she believes the Board needs to give some direction for Golf Brevard; they clearly gave the Savannah's some ideas; she is not ready for a decision today; in all fairness, she has been working hard on the Savannah's issue; she received a lot of good information today; a lot of hard questions were asked today; and she appreciates that. She continued her two options for those two courses would be to sell and get rid of them or that Mr. Becker's proposal will work and the County is out of the golf business; she wants government out of the golf course business; she does have heartburn over government competing with the public sector; she is not willing to throw everyone under the bus in doing so; and she is willing to keep an open-mind and to work with these golf courses.

Commissioner Tobia stated there is always this talk of not in being in the District, but the principle should work no matter what District anything is in, and no matter what the project is; if someone believes that private enterprise should not be in competition with the public sector, it does not matter where the golf course is located; he has two golf courses in a District, it is not his District, it is just the District in which he happens to represent and if he loses his next election, he stood on his principles; and he thinks the work, time, and the effort that went into the Savannah's project is very evident and it is just as evident that it did not go into the Golf Brevard model. He mentioned anytime someone comes to ask the Board for a loan and talks about collateral but does not offer any, that does not have an interest rate, or a term, while everyone knows the time line, they had 60 days from the last time and 30 days the time before that, and all the hours staff has put in to do this stuff, he mentioned he wants to make a motion for the additional option of manage to disposition, but he does not think it will pass even though it was pointed out that the Board should defer to the people whose District it is in; he noted a lot of time was spent there by the Board and the folks who have shown up, and the proposal, brought forward by Golf Brevard, is asking for a loan; this proposal just changed one day ago and if that is the type of management expected from these courses then he thinks it is pretty foreboding and unfortunate because the Savannah's proposal, which is not in his District or the District he represents, was so good; and he thinks the Board needs to direct staff to come up with some concrete numbers by March 20, so the Board can make a decision. He noted he has more questions now than he had before because the numbers are not there; the Board can talk to the Savannah's about numbers whether they agree or disagree; Golf Brevard has had the opportunity for that but they have not delivered; and he asked if the Board could direct staff to provide a contract that meets the goals the Board has laid out and provide some concrete numbers so it can give a thumbs up or a thumbs down. He went on to say he does not believe the Board is any closer and this is not the work of the Board, he believes that it falls on Golf Brevard; they have only provided a third of a page of financials in the 60 days allotted; that is

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the Board's job, it is very difficult to spend this money; the Board has to ask those hard working people to pay taxes; and he cannot look at those people with a straight face and say he is offering zero percent, non-collateralized loans. He stated that is wonderful if it can be done through a bank, however he does not know if a bank could survive all of that, but he certainly would not want it done with his money and there is no way he will do it with 110,000 people's money, it is just not fair; he would like to direct staff to provide some sort of contract that is reasonable, that provides numbers so the Board can decide whether it agrees or disagrees; and he would like that in rapid succession because the Savannah's is one the 20th, and they have set the bar pretty high. He noted it is always good to have the C- student follow around the A student.

Chair Pritchett inquired if the Board is able to just direct the County Manager or if the Board needs a motion to direct staff to work with Golf Brevard to get some numbers.

Scott Knox, County Attorney, stated the County Manager would probably like a motion to direct him to do that, he understands what the Board is looking for so he can work to get some firm numbers from Golf Brevard to work something out.

The Board directed staff to negotiate a contract with Golf Brevard based on the goals the Board as laid out with some firm numbers to be discussed at the March 20, 2018, Board of County Commissioners meeting.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John Tobia, Commissioner District 3
SECONDER:	Kristine Isnardi, Vice Chair/Commissioner District 5
AYES:	Pritchett, Barfield, Tobia, Smith, Isnardi

Commissioner Isnardi stated she just wanted to say she knows Commissioner Tobia did not tell this to her, but Golf Brevard stated they were heading to his office next; if Commissioner Tobia saw that Golf Brevard did not have a percentage when they talked about the loan money, he could have easily asked them if they would be willing to pay an interest rate; it is fun to attack people in public but, at the same time, she knows they put the effort in at her office; and she is not sure if her office was more receptive or more willing, but the posturing is a little silly and it is not productive. She continued she thinks Golf Brevard is making the effort; she thinks it is difficult for them to provide collateral because they are not a PUD on a golf course; they have nothing to gain other than a lot of time and effort to improve the courses; and as far as competition with the private sector, she does not like it either, but an Aquarina resident admitted the costs was exactly the same as Spessard Holland. She reiterated this Board did not put those golf courses there however, it can take them away and give them to the private sector; maybe Aquarina will raise its prices more because they would be the only show in town; these golf courses exist and the Board has to make decisions; they are either allowed to stay in place but it the Board's ultimate goal is to rid itself of them, then this is how it can do it responsibly, taking care of the residence without wiping just kicking them to the wind for some company to run the golf courses into the ground; the County has already been there; and she does not want to see that happen.

Chair Pritchett stated she thinks there is an opportunity for some wins here.

ITEM IV., OTHER BUSINESS

Frank Abbate, County Manager, stated he hopes the Board received the email where they speak about the Florida Department of Emergency Management (FDEM) and some rumblings

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that are going on relative to Federal Emergency Management Association (FEMA) reimbursements relating to shelters; staff said they would come back to the Board and give it a letter; he has that letter in a draft form, and is seeking the Board's approval to send the letter to Governor Scott and the federal and State delegations to address the issue because it could be potential for a significant impact to the Board, if what is being laid out comes to fruition; the County might be in a position to have to reimburse the School Board for costs related to sheltering and then have to apply to get that reimbursement back from the Federal Government through the State; and as the Board knows, that process takes an undeterminable amount of years. He is looking for the Board's review; it has to be done quickly because he just became aware of it in the last 48 to 72 hours; he thinks the State gave an extension until the end of the week for comments to be in; and he would like the letter to go out as quickly as possible.

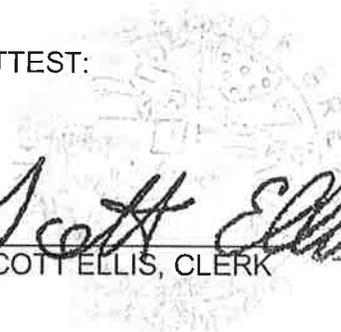
Kimberly Prosser, Emergency Operations Center Director, stated her concern is not only the \$1.75 million that the County would be responsible for immediately, but then the School Board could also be possibly more vulnerable to de-obligation for all the funds they spent on sheltering in the previous years, from 2004-2016, which would be a financial impact to the School District and at some point, that could come back around in a big circle.

The Board approved a letter to be sent to the Office of Governor Rick Scott and to the Federal and State delegation voicing the County's concerns after recently receiving direction that the Florida Division of Emergency Management and FEMA will be requiring school districts to submit their sheltering costs to the County for payment, require the County to promptly pay those invoices, and only after payment to the School Board will the County be allowed to submit those costs to FEMA for reimbursement creating an immediate financial impact to Brevard County in the amount of \$1.75 million for Hurricane Irma costs.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristine Isnardi, Vice Chair/Commissioner District 5
SECONDER:	Jim Barfield, Commissioner District 2
AYES:	Pritchett, Barfield, Tobia, Smith, Isnardi

Upon consensus of the Board, the meeting adjourned at 4:43 p.m.

ATTEST:



Scott Ellis
SCOTT ELLIS, CLERK

Rita Pritchett
RITA PRITCHETT, CHAIR
BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

As approved by Board 4/24/2018