

MINUTES OF MEETING
BRANDY CREEK COMMUNITY DEVELOPMENT DISTRICT

A continued meeting of February 13, 2013 of the Board of Supervisors of the Brandy Creek Community Development District was reconvened on Wednesday, March 18, 2013 at 6:00 p.m. at Watson St. Johns Realty, 175 Hampton Point Drive, St. Augustine, Florida 32092.

Present and constituting a quorum were:

Gary Williams	Chairman
Jason Hill	Supervisor
Charlie Arnold	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Brad Weeber	District Engineer
Mike Usina	Facility Manager
Brett Sealy	MBS Capital Markets (by phone)
Camille Evans	Greenberg Traurig
Angi Palmieri	Elite Amenities
Sal Palmieri	Elite Amenities
Danielle Simpson	Riverside Management Services
Howard McGaffney	Amenity Services
Residents	

District Manager's note: Due to a technical malfunction with the recorder, the first portion of the meeting was not recorded electronically. The minutes have been prepared based on manager's notes and comply with statutory requirements.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Williams called the meeting to order at 6:00 p.m.

Mr. Oliver stated Supervisor Little may join us by phone. She is traveling due to a family emergency.

SECOND ORDER OF BUSINESS

Affidavit of Publication

Mr. Williams stated included in your agenda package is an affidavit of publication for today's meeting and public hearing.

Mr. Oliver stated that as required by Florida Statutes, published notice announcing tonight’s public hearing appeared twice in the St. Augustine Record and mailed notice was sent to all Phase I property owners.

THIRD ORDER OF BUSINESS

Audience Comments

Mr. Williams offered an opportunity for comments from the audience. There were no comments.

FOURTH ORDER OF BUSINESS

Consideration of Engagement Letter with Greenberg Traurig, P.A. as Bond Counsel

Mr. Walters explained the engagement letter to the Board.

On MOTION by Mr. Hill seconded by Mr. Arnold with all in favor the Engagement Letter with Greenberg Traurig, P.A. as Bond Counsel was approved.

FIFTH ORDER OF BUSINESS

Consideration of Pool Monitor Proposals

Mr. Usina presented proposals from Elite Amenities, Riverside Management Services and Amenity Services

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Proposal from Elite Amenities to Provide Pool Monitor Services was approved.

SIXTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Imposition of Special Assessments

A public hearing was held to discuss the proposed refunding of the Series 2003 bonds and issue of Series 2012 Bonds at a lower interest rate. The impact of the refinancing would result in a reduction of annual debt service assessments for Phase 1 property owners, from \$1,100 to \$854.77.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Public Hearing to Consider the Imposition of Special Assessments was opened.

A resident asked for the reduction in total debt on each lot and the change in annual assessments.

Mr. Oliver stated total debt per unit would decrease from a current balance of \$11,842 to \$11,391.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Public Hearing to Consider the Imposition of Special Assessments was closed.

B. Consideration of Adoption of Assessment Roll

Mr. Oliver presented the Assessment Methodology, which had been previously presented (February 13, 2013) by Mr. James Perry, the Assessment Roll Advisor. Mr. Oliver stated the only changes were a slight lowering of the new assessment amount, bringing the new per lot annual debt service assessment to \$854.77. The new assessment roll was include as Table 5 to the Supplemental Special Assessment Methodology Report for Special Assessment Refunding Revenue Bonds, Series 2013 dated March 18, 2013.

C. Consideration of Resolution 2013-09

Resolution 2013-09 authorized refinancing of the District project: outlines the estimated cost of refinancing and the terms of the Series 2013 refunding: equalizes, approves, confirms and levies the Series 2013 special assessments; confirms the assessment lien; and states assessment payment and collection methods, maintenance of the improvement lien book and to records a general notice of Series 2013 assessments in the Official Records of St. Johns County.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor Resolution 2013-09 was approved.

SEVENTH ORDER OF BUSINESS

**Consideration of Bond Resolution
2013-10**

Mr. Walters presented the resolution and provided detailed explanations of the sections of the resolution, to include: supplemental indenture, approval of proposal and negotiated sale, sale of the bonds, purpose and authorization, details of the bonds, application of bond proceeds, escrow deposit agreement, authorization and ratification of prior acts, appointment of trustee, escrow agenda and verification agents, further official action, supplemental assessment report and supplemental assessment roll, bank qualified, severability, public meetings and effective date.

Mr. Walters discussed the refunding process. He explained the rate being lowered from 6.35% to 3.57%. The Debt Service Reserve Fund cash required was lowered from 50% to 10% of Maximum Annual Debt Service The final maturity date of the bonds changed from May 1, 2034 to May 1, 2033.

Mr. Walters also discussed the difference between Bank Private Placements and Rated Public Scenario Offerings. Mr. Walters explained that in the event the bonds lost their bank-qualified status, the rate would be reset at 4.20%. If the bonds lost their tax exempt status, the interest rate would be reset at 5.16%

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor Bond Resolution 2013-10 was approved.

EIGHTH ORDER OF BUSINESS

**Update Regarding ADA
Compliance (Recreational
Facilities)**

Mr. Usina stated the primary update would be the double rail system that is being installed in phase one. Mark Duda is doing that work. The rails have been ordered and are in. Mark will be at our facility Wednesday morning with his crew and install those rails Wednesday. We should be ADA compliant with regard to the pool facility by close of business Wednesday.

Mr. Williams asked did we already resolve the opinion on the baby pool?

Mr. Oliver responded we did.

Mr. Hill asked so when that is done are we pretty much open for pool season?

Mr. Usina responded yes. We are open now.

Mr. Williams asked are we in violation though?

Mr. Usina responded no. We have until the end of March, so we are okay.

NINTH ORDER OF BUSINESS

**Actions Related to Conveyance of
Phase 2 Amenity Center to
District**

Mr. Walters stated included in your agenda package are two documents; one document is a draft of a letter and the other is what I entitled the acquisition checklist. Generally when we are constructing infrastructure at our facilities, we do it one of two ways and this is the third way, which makes it a little more unique. Generally, either we will construct it ourselves. We issue bond money. We go out and engage the contractor. We already own the land. They put the infrastructure in and we own it. A second way is if the Developer constructs the improvements rather than us constructing them and then we acquire them. They will go through the act of procuring a contractor that will finish the facilities and then we will write a check for the value of the asset. This is a little bit more unique situation in that the phase two Developer has constructed the phase two amenity and is now looking at conveying that asset to the District free of cost essentially a donation. That is what the letter represents, which is a request to the District that we acquire the phase two amenity. My understanding is this is pretty much a done facility. Obviously, there are always going to be some punch list items that we are going to work through but on the District's side there are a number of things we need to do to acquire that. We can't just say we will take it and he hands us the key and we start operating it. We don't currently own the land. We have to gain title to that land. We don't own the facilities themselves. We didn't construct it, so the warranties are not in our name. We didn't hire the professionals, so their work product is not in our possession. All of these things that we are now looking to solidify before we take possession and begin operating that facility. That is why I included the checklist in the package. I always ask the engineer to put together an acquisition binder. You can see he has three parts of what I will term the binder. We need are the plans, all of the contracts and the conveyance documents. They will all go in this binder. The tricky part for the District is we have to pick a date for that to happen and a way to make that happen. It seemed to make sense that we work on a staff level to get as far down this road as

possible. We will start working to gather these documents and then come to the board with an explanation of the process. If the board is comfortable, we can represent that we are 90% there and you can grant authority to the Chair that upon final review by District Counsel and signatures by the engineer that you would grant the authority to the Chair to finalize the transaction. There would be no date certain on that. Once we get to that spot, where we have everything we need and we are comfortable from a staff perspective and the Chair then we will pull the trigger and convey that facility. The only other alternative is to pick another date for another meeting and bring back all of the documents again for the board to review. There is no painless way to do this. I have done this with other facilities. This seems to be the most practical in terms of opening the facility in an expedient manner and also making sure we are dotting all of our I's and crossing all of our T's.

Mr. Usina stated there have been a number of occasions for me to be at the phase two amenity center. As we have come closer and closer to completion, there has been a concerted effort by all of the parties involved to critique the effort. There have been two extensive inspection walk throughs, where everyone's opinion counted. I think our punch list had well over 100 items. We were very diligent in that effort for the inside of the building, the outside of the building and the landscaping. Since that initial walk through, there has been diligent effort to complete the punch list and at 3:00 p.m. this afternoon we met again and walked through the facility again. We went over the punch list of items that were completed. We came out of that meeting with just a handful of either new observations that had been made plus some repair that had been done that was not adequate. We whittled down the punch list dramatically to a point, where there is confidence that by the end of the week it should be completed. I would assume that there be another look at the facility just to reassure everyone that the punch list has been completed in total. Tomorrow afternoon we have scheduled 45 minute walk through sessions with the primary service providers for the facility that would include Rick Arsenault, Austin Outdoor and Atlantic Security. The bulk of tomorrow afternoon will be spent at the facility walking through systems. Those meetings will include the builder of the pool, Tree Amigos and Atlantic Security. We will have another opportunity tomorrow to not only learn about the facility and what is going to be required going forward but also for any questions that might pop up. I feel very

confident that the effort has been thorough. As I mentioned before I think Charlie and his whole development staff and the engineers and Dicky Smith and his crew have all been extremely professional throughout this process. They have not hesitated to include me on behalf of the community in any and every turn. Johns Creek should feel confident that our best interests have been looked after during this process.

Mr. Walters asked, "Brad, from your perspective you have been getting cooperation from all of the professionals involved in terms of gathering documents?"

Mr. Weeber responded absolutely. Dicky put together a great package. It was more organized than I could have hoped for.

Mr. Walters asked have you had a chance to start reviewing all of those?

Mr. Weeber responded I have not completed the review but I have been reviewing them as they come in to check for completeness.

Mr. Walters stated we have put a lot of forethought into having group calls and making sure everyone is on the same page, so hopefully that has helped in this effort.

Mr. Hill asked do we expect any outstanding liabilities to be passed forward to the District? For instance, in terms of any unpaid bills.

Mr. Walters responded no. That is one of the big items on the checklist, which is filing releases from every subcontractor and the main contractor because if I have a sub who hasn't been paid by the general contractor then they come look at us. I think we already have those in process. My understanding is that final payment has either been made or is in process.

Mr. Arnold stated Brad has the final signed pay apps. Payment is being made this week. When I embarked on this I really wanted to select professional service providers and a general contractor, who were used to working with Community Development Districts and to a certain extent had some familiarity with this specific District. I am very pleased with how all of them have done. I think this process of delivering this facility to a District per the bond documents and the way that it has gone I have been very happy. To have Mike along for the ride has made it real easy to deliver a facility to a District from operation and maintenance when you have had their onsite manager there for monthly construction meetings and then final inspection and operational turnover meetings. As a board member I feel that the residents interests are being well represented out of the District Manager's office, as well as with staff. I have

communicated with Mike and Jim and the team on my recommendation, as far as a date. The facility is in good condition right now. I wanted to report 100% complete with a dozen or so final inspection items that were ready to be transitioned into the warranty phase for performance.

Mr. Williams asked from an engineering perspective, is there any reason in your mind that we shouldn't accept it?

Mr. Weeber responded no reason. We have done our inspections. We were present at these walk throughs, as well. We had a few items of concern and they were addressed. We got them out there to re-asbuilt, reshoot and survey to verify compliance with ADA.

Mr. Williams asked, "Mike, from a property management perspective is there any reason we shouldn't accept this building?"

Mr. Usina responded no.

Mr. Williams asked from a legal perspective is there any reason we shouldn't accept this building?

Mr. Walters responded no. I will still have work to do. We will have to get the deeds recorded. Once my checklist is done I will be comfortable. This is a checklist that we have developed over 20 years of accepting facilities.

Mr. Williams stated, "Charlie, as the Developer, I appreciate the flexibility you have had over the last couple of years as we have worked through this. I think it has been incredible beneficial having you on this board, so we could work through these things. We have gotten back feedback from residents that has been incorporated in. The communications have been open and honest. From my perspective it has been a good experience. Just like in phase one with those root balls on those oak trees, you were willing to jump right in and make sure we didn't have the same issue. Whether it was diverting traffic through that access road instead of through the main part of phase one and addressing issues when they came up, I think that has been really good." What is the status of the dirt pile?

Mr. Arnold responded the last 20% of the original pile is there. The humbling activity should eat that up soon.

Mr. Williams asked does Charlie's vote pose a conflict of interest?

Mr. Walters responded it does not. Charlie is a landowner elected supervisor, so even if he had a conflict, it is not a voting conflict.

On MOTION by Mr. Hill seconded by Mr. Arnold with all in favor the Acceptance of the Phase 2 Amenity Center Upon Final Review of all Acquisition Checklist Documents by District Counsel & Staff & Final Review by the Chairman was approved.

Mr. Walters stated once we have the framework of what date we think it might be then we will start working with the vendors and also try to get the information out to the residents.

Mr. Williams stated, “Charlie, on behalf of the board I extend our sincere thanks. I know the way this works as a donation. I appreciate that. I know that is part of the whole construction phase but the partnership has been great.”

Mr. Arnold stated you are welcome. It is a good investment into the community. I was glad to do it.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. Williams stated Elite had a provision in their contract for either a 2% or a 3% reduction if we signed a two or three year contract. I am hesitant to do that because 2% of that contract is \$500. I don’t want to minimize \$500 but on the other hand I want to keep them on their toes and we have two other vendors that are very anxious and very close in terms of what they want to provide. In my opinion it is in our best interest to renew that on an annual basis.

Mr. Hill stated I agree with that assessment to performance on an annual basis.

Mr. Walters stated even though they have a two to three year contract, they will always have that 30 day termination provision without cause. There will be an immediate provision for with cause. I let each of them know that provision does not get you out from a termination provision. Essentially what it would do is it would prevent that from coming back before the board next year.

Mr. Williams stated I appreciate that and it is good to know. I don't think it changes my mind on that. The other thing we did tell Elite we would do is about them being a pool instructor. In the past, we have had vendors that have come and we have given permission to those vendors to participate here. Short of any resident feedback regarding the vendor that was here last year I am probably agnostic in terms of who provides it.

Mr. Usina stated I think that providing choice is in the residents best interest, as long as it is managed. It was mentioned by one resident that the competitive company was 50% the cost of Elite.

Mr. Williams stated in the past I think we allowed one company because I think we got into scheduling conflicts.

Mr. Walters stated we had one year where we had two. It became a huge issue. They were fighting over turf.

Mr. Usina stated I was unaware of that.

Mr. Williams stated I am torn. I hear you on choice though.

Mr. Usina stated we have two pools.

Mr. Williams stated I forgot about that. That changes things.

Mr. Oliver asked have you spoken to Swimming Safari?

Mr. Usina responded no. They have approached us and I deferred to the decision we wanted to make regarding the monitor. I felt that needed to be addressed first but they have expressed interest in coming back.

Mr. Oliver stated they have been here for about five years.

Mr. Williams stated honestly hearing a 50% pricing difference makes me suspicious. 50% is huge and it doesn't seem logical. It is one of those things that is too good to be true.

Mr. Joe Taylor stated I haven't heard many complaints in the past few years, so I say to stay with them.

Mr. Usina asked are they private or semi-private, in terms of how many kids? I believe Elite is private. Safari will entertain a group of two or three and there is a discount associated with that.

Mr. Williams asked so Elite is twice as much as Swimming Safari?

Mr. Usina responded private.

Mr. Williams stated you brought up a good point that now there are two pools.

Mr. Arnold asked so we currently have a license agreement with one provider?

Mr. Walters responded we had one last summer.

Mr. Arnold asked and we are considering renewing that with Swim Safari and possibly adding a second choice, which would Elite?

Mr. Usina responded yes.

Mr. Arnold asked have you had residents ask specifically for Elite or just a second choice?

Mr. Usina responded I have heard through other people that there have been requests for Elite. We kind of held that off for good reason based on the process we were involved in. I have also gotten direct requests for Swimming Safari as to the status if they are coming back.

Mr. Joe Taylor stated last month when Phyllis was here talking about the swim team, I am a little concerned that if we get two vendors that that would lead to a conflict with the swim team. I am sure the swim team would prefer to use the new facility due to the way it is built.

Mr. Usina stated I am under the impression that the swim team concept kind of didn't fly.

Mr. Williams asked didn't fly with whom?

Mr. Usina responded with the coordinators with the swim league itself.

Mr. Oliver stated the swim league itself said the pool did not meet its requirements.

Mr. Hill asked is our next meeting in April or May?

Mr. Oliver responded hopefully it will be April 10th and at the new amenity center.

Mr. Hill stated maybe we should open this up for bid and review the proposals at the next meeting.

Mr. Williams stated I am good with that. It is not really a request for proposal. It is really permission to do this. We are not making a financial decision. We are just giving them permission to do it.

Mr. Oliver stated I will also talk to Meredith Payne because his children use that service.

Mr. Arnold asked is it a question of whether or not Swimming Safari gets a new license for the coming year or is it a question that we know they are going to be a choice, so we are just deciding whether we expand to a second choice?

Mr. Williams responded I think it is if we can expand to a second choice.

Mr. Arnold stated I overheard some residents talking to Mike and they seem anxious to want to schedule the summers lessons. If we know that we would want to extend the same services or options to the residents for the upcoming season then maybe we go ahead and extend that to Swimming Safari now. Then we just have to consider if we want a second option.

Mr. Williams stated I think that makes sense.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Swimming Safari License Agreement to Provide Swim Lessons was approved.

Mr. Williams stated Florida Forestry did the early clearing and it looks a little rough.

Mr. Usina stated under the existing contract Austin Outdoor is providing elevation, which is divining of the trees and getting the vines off of the oaks. They had to do it manually versus the big equipment, so we didn't scare those trees. They have already started that work. It won't be evident this evening but they worked on it all day today. Austin is contributing to the effort. I did get a quote from Taylor Tree Service, which included not only that elevating but then also coming in and smoothing out the mulch bed that exists and try to grind it up a little bit more. They are also willing to bring in pined bark, which is less fire prone than the pine needles that we use to give it a little more of a uniformed look. I am still waiting on that end of the proposal. Since Austin has come in and done some of the work that was bid on, I am asking Taylor to come back and take another visual look at the common areas, strip out what they had proposed and then submit that for the board to consider. Along with that, we have a few pine trees in and around the amenity center that have acquired a disease. We need to consider what to do about that. It is a disease that attacks the tree from top to bottom. You may notice some of these pine trees. There will be some education related to that.

Taylor came to us highly regarding by the forestry service. They are a good provider and are intelligent about what is going on and they know the appropriate labor that needs done to dress up our common areas.

Mr. Williams asked what were thoughts on what was cleaned out?

Mr. Hill responded it doesn't look completely done but it looks nice. It gives it a fresher look and feel.

A resident stated it doesn't look finished to me.

A resident stated they were out there today and I could see an improvement.

Mr. Arnold stated I share everyone else's thoughts. I think Austin will probably work on it a little bit but you are also going to get some re-growth overtime that will tend to hide some of that cut stuff.

Mr. Williams stated keep looking into it. Even if we have to spend a little bit of money to make the neighborhood a little better would be good.

A resident stated the palm frawns at the main entrance going out to McDonald's in the median are really high and thick.

Mr. Williams stated that is a good reminder. We have trimmed those before.

Mr. Usina asked is it the palm frawns or it is the Palmetto?

Mr. Arnold responded it is the ground Palmettos.

Mr. Usina stated I will get Austin Outdoor on that.

A resident asked is there a target date for the phase two amenity center to open?

Mr. Walters responded a date that has been tossed around is April 1st.

Mr. Williams stated I don't believe it will be in time for spring break.

Mr. Arnold stated there is really two Community Development District operational things that have to happen before you can take ownership; one, you have to get the operational inspection from the health department. That inspection has been requested. We are at the mercy of the State Inspector. We hope to get it by April 1st. The second is a signage package that spells out a lot of the policies and procedures. That has been ordered. It should be installed by the 1st or the week of the 1st. To me, those are the two critical path items.

Mr. Williams stated we are going to have the same policies at both pools.

A resident asked will you plan to close both pools on Mondays for maintenance?

Mr. Usina responded we would plan to alternate. Phase two pool would close on Tuesday, so we will always have a pool open.

TWELFTH ORDER OF BUSINESS

Next Meeting – Wednesday, April 10, 2013 @ Watson St. Johns Realty at 6:00 p.m.

Mr. William stated the next scheduled meeting is April 10, 2013 at 6:00 p.m. at the new amenity center.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman