

MINUTES OF MEETING  
BRANDY CREEK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Brandy Creek Community Development District was held on Wednesday, June 12, 2013 at 6:00 p.m. at Brandy Creek Amenity Center, 251 Huffner Hill Circle, St. Augustine, Florida 32092.

Present and constituting a quorum were:

Gary Williams	Chairman
Dianne Drinkwater	Supervisor
Barbara Little	Supervisor
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
Terry Rogers	Southern Recreation
Nancy Postiglione	Zumba Instructor
Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the  
April 24, 2013 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the April 24, 2013 meeting. Are there any additions, corrections or deletions?

Mr. Williams responded I did send you a couple minor comments. I am assuming you incorporated those?

Mr. Oliver responded yes.

On MOTION by Ms. Drinkwater seconded by Mr. Hill with all in favor the Minutes of the April 24, 2013 Meeting were approved.
---

**THIRD ORDER OF BUSINESS**

**Public Comment\***

A resident stated I have been having problems with snakes. The CDD actually maintains the lake right behind my yard. There is a large area between my land and the lake that is owned by the CDD that is not being maintained.

Mr. Williams asked, “Mike, have you seen this?”

Mr. Usina responded yes. I have been to his house three times.

Mr. Williams asked is this CDD area?

Mr. Usina responded it is CDD area on undeveloped land. I had Austin come out and we walked the site together. It would involve a contract change because not only would we be asking for mowing to be increased around the pond, but there is a connector between this pond and the next pond that has never been mowed. That is located behind undeveloped property that is soon to be developed on Huffner Hill.

A resident stated my house is right here. They usually do around the whole lake but they don’t do this area here. I am just asking you to mow this piece right here.

Mr. Williams stated I would like to ask Mike and our engineer to do a quick review of it and let’s make an assessment on whether we need to add it to the CDD contract.

A resident asked are we looking at bringing in vendors in order to have classes for Zumba and other classes? What would I need to do in order to start up classes?

Mr. Williams responded we have had discussions about this and the general direction we have is this facility is for the availability of the residents. If there was a karate class or a Zumba class, we have a process that involves a contract. There is a liability factor. There is a fee structure that we are going to talk about tonight. That can be coordinated through Mike. We will take those up on a case by case basis. We are not going to allow certain items to take place here.

**FOURTH ORDER OF BUSINESS**

**Acceptance of FY12 Audit**

Mr. Oliver stated the audit for fiscal year 2012 is a clean audit. If you look right inside the front cover you will see the opinion letter. The third paragraph says, “That in our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities in each major fund of the District as of September 30, 2012 in accordance with generally

accepted accounting principles of the United States of America.” Over the next several pages, you will management discussion and analysis. You will also see a recap of the fiscal year 2012 financials. If you flip over to page 25, you will see the report on internal controls. The last sentence on page 25 states, “We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.” On page 24 under note 11, even though this is the 2012 audit, it does show that we refunded the Series 2003 bonds subsequent to that at a lower interest rate and brought it down to 3.57%. It also mentions that the Developer completed the phase II amenity center and conveyed that to the District. On page 27 in the next to the last section says, “Rules of the Auditor General require that we address a management letter. Any findings or recommendations to improve financial management in connection with our audit, we did not find any recommendations.” On page 28 it talks about that the auditor must review and whether or not a local government entity has met one or more of the conditions described in Section 218.503(1). They are emergency financial conditions. The last sentence in that paragraph says, “This CDD did not meet any of the emergency financial conditions.” It is a clean audit. This audit has to be done annually by a CPA firm selected by this board through the RFP process. We will deliver this to the Auditor General by June 30<sup>th</sup> and we will also make it available to the dissemination agent. They put it out, so investors can review this and they can decide whether or not they want to invest in these bonds. We will also post a copy of the final product to the website.

On MOTION by Ms. Little seconded by Mr. Williams with all in favor the Fiscal Year 2012 Audit was accepted.
---

#### **FIFTH ORDER OF BUSINESS**

#### **Ratification of Non-Exclusive License Agreement with Elite Amenities, Inc. to Provide Swim Lessons**

Mr. Oliver stated at the last meeting we discussed having swim lessons being given by Elite Amenities at the phase II amenity center. The board authorized us to move forward once we reviewed the agreement and put it into contract form. We

executed that agreement, so that we could have the lessons start immediately. I just brought this to the board to ratify that action.

Please add motion box to ratify

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-12, Approving Proposed Budget for Fiscal Year 2014 and Setting a Public Hearing to Adopt Budget**

Mr. Williams stated this is the beginning of the budget process. At our August meeting is when we would adopt the budget for fiscal year 2014.

Mr. Oliver stated there are two things we are going to accomplish tonight; one is to approve a proposed budget. We are required by Florida Statute to approve a proposed budget by June 15<sup>th</sup>. You will also set a public hearing that will be accordance with your next regularly scheduled meeting, which is August 14<sup>th</sup>. The budget you have in front of you incorporates the new amenities and the phase II improvements. That is the biggest difference you will see. The current year budget funded the amenity center operations for a half a year. I think the conveyance of this amenity center was April 1<sup>st</sup> and we actually budgeted for that a year before. That is why in fiscal year 2012, we achieved surpluses because we had budgeted something that didn't actually occur. That money didn't go anywhere. It stayed within the District and the District can use it for capital reserves and other uses. Now we have to operate this facility for an entire year, so there are some significant changes to some of the budgeted line items. If you look at the revenue section at the top of page one, the maintenance assessments are projected to go from \$506,000 to \$586,000. In the general fund budget for administrative, the cost is actually an increase of less than \$2,000. It goes from \$122,800 to \$122,300. The larger budget increase is in the maintenance section. The first one is property insurance. We budgeted last year for \$11,794. We actually have a cost of \$12,937 and that includes this facility being insured for a portion of the year. Next year, we are carrying insurance for all of the property for the full year. The insurer has given us an estimated cost of \$16,531. I say estimated because we are in hurricane season and some of these significant weather events can impact property insurance. Usually we don't see a big shift. We saw a big increase back in 2005 after Katrina but Florida has been pretty

fortunate the last few years. The next item is facility administration and management. This essentially is the funding of your property manager and the services he provides. Last year, we had that budgeted at \$46,500. I have a 17% increase in that for the proposed budget bringing it to \$54,375. Now we are maintaining two pools. We expect to spend \$27,000 this year in pool maintenance, so we budgeted that at \$42,600. There is going to be some additional landscape maintenance associated with this particular property. The budget for street lighting is going from \$24,000 to \$27,265. As these street lights come on, the District pays a monthly fee to FP&L for each one of those street lights.

Mr. Williams asked does this budget assume that we fully install street lights through phase II?

Mr. Oliver responded no, but being phased in. Electric is a wildcard right now. We don't fully know what the energy costs are going to be here in the new facility. We have a dumpster at the other site. We have had discussions of whether or not we need one here and is there a place to put one here. It may be that cost doesn't go up. We will just have to see with that. Janitorial service has a slight uptick in that because you have more facilities to maintain with that. The last one ties into the next discussion item, which is the capital reserve. Last year there was a recommended capital contribution of \$40,000 to keep assessments low. We had it at \$20,000 but we also realized at the time that we were going to have some surplus funds. This year we have it pegged at \$40,000 for capital reserves. We don't expect much in terms of surplus funds this year. You can see at the bottom of the third column that we project \$8,000 in surplus funds at the end of this budget year. These are working numbers. This would bring the O&M assessment from \$923 per home to \$1,069, so it would be an increase of about \$145.

Mr. Hill stated one area that caught my eye was security because we talked a little bit about having additional patrols on the weekends. I wanted to make sure if that is something we do want to do as a community that we make sure we are covered for it.

Mr. Oliver stated yes. You will see that we do have \$4,600 and that actually works out to a pretty robust security schedule for these St. Johns County Sheriff's that are patrolling on a random basis. We are aware of when they are doing it but no one else is so their patrol patterns remain unpredictable.

Mr. Williams stated the one that sticks out to me is the facility administration and management. What that seems to imply is a significant increase for our facility manager. I think that is something we need to talk about.

Mr. Oliver stated Tracy left unexpectedly. We were fortunate to get Mike on an interim basis and then he stayed. I believe the salary for that position is \$36,000, as was paid to Tracy. Tracy received a \$300 health allowance. What I have figured in here is based on what I have seen of Mike's performance to date and the increase in responsibilities now that there are more facilities to manage. For budget discussion purposes, I increased his salary for from \$36,000 to \$41,000. I also proposed an increase of health allowance from \$30 to \$600, which clearly won't cover all costs, but assumes a bigger share of the total premiums. I was trying to track what we may see in some other corporate settings regarding compensation and benefits, realizing that Mike is a District employee. Typically you would outsource a lot of these things and when that happens you are paying for that overhead in the contract. That was my thought process for that. The other funds in that line item is for mileage for running errands and inspecting the property.

Mr. Arnold stated in situations such as this, I like to determine the value an employee brings to the table. I have found Mike to be a great fit for the District and believe the value he brings are evident his strong management skills and that he will be able to find cost efficiencies that more than cover his compensation. His role in the amenity center construction process and communications with the project team have proven him to be of great value.

Mr. Williams stated this would raise our operation and maintenance assessments by \$145 a year, so it is about \$10 a month. I want to remind you that we reduced our bond amount because of refinancing by \$200 a year for phase one residents.

A resident asked have we considered any industry standard for other facilities that have a similar employee?

Mr. Oliver responded this type of employee is rare in the CDD world. Jason and I just came from the Pine Ridge Plantation CDD in Clay County. They use a jack of all trades type position and that person has a salary of \$36,000 a year and they work 18 to 24 hours a week. They are replacing that person with contracted services now because they didn't think he had the variety of skills necessary to meet resident needs. That CDD

is entering into a contract as of today and the contract is for someone to be there 24 hours a week and that cost is \$32,000. They are paying \$15,000 for another person from the same company to be an operations manager. You do have a contract, which includes what they are going to pay the employee, 25% markup for benefits and overhead and a profit margin of 12% to 15% on top of that.

A resident asked regarding the electric cost, are we looking at any energy saving considerations?

Mr. Oliver responded yes. I think that is a good idea. Mike will lead that initiative.

A resident asked the phase II maintenance and grounds, I assume when more homes are built we will have more common areas for the dogs?

Mr. Arnold responded there are no more common area tracts to be transferred to the District.

Ms. Drinkwater stated some of the areas over here on Huffner Hill are Bahia. We looked at the possibility last year to improve that grass area. I don't think that is reflective in the landscape contract at all.

Mr. Williams stated we did have discussions to upgrade the grass last year. If I recall, it was incredibly expensive. In phase I, there are some potential capital improvements that we are looking at that may involve tearing up sod and if we do that we can use the sod in other places in the District.

Ms. Drinkwater stated there will be a cost to it because you do have labor involved in it but you will save on the actual sod itself.

Mr. Arnold stated I believe that next year with Mike managing the service contracts that his expertise and knowledge would save the District more than \$5,000.

On MOTION by Ms. Little seconded by Mr. Arnold with all in favor Resolution 2013-12, Approving Proposed Budget for Fiscal Year 2014 and Setting a Public Hearing for August 14, 2013 at 6:00 p.m. at the Brandy Creek Phase II Amenity Center, 251 Huffner Hill Circle, St. Augustine, Florida 32092 was approved.

**SEVENTH ORDER OF BUSINESS**

**Presentation of Draft Capital Reserve Study**

Mr. Oliver stated this is intended to be a draft. It is dated June 5<sup>th</sup>. I have had some communications with Charlie Sheppard, who prepared the report. Where something seems like an annual cost that is just an allowance to build up for that particular cost. He omitted the water heater on purpose because it was such a low cost item. We don't want to fall into the trap of funding all of our maintenance requirements out of the repairs and replacement fund. There is nothing for the board to approve tonight. If you look inside the front cover, you will see the recommended fiscal year 2014 contribution is \$57,735. This report is just a tool for the board to consider. I plugged in \$40,000 for now. We can work with that.

Mr. Williams asked do you remember what the \$40,000 would take us to from a percentage perspective?

Mr. Oliver responded I don't but I did ask him to run another table. When you look at how large this number is over time, the \$17,000 won't make a huge difference. What this report does is it looks at all of the capital assets that the District has. It assigns a value to it. It assigns a remaining useful life and then it projects what the cost would be to replace it and the given year. The reality is that the property manager is going to stay on top of this stuff and extend the life of some of these assets and he is going to shift the timing around for the repairs and replacements as needed from what he observes. What you have in the report here is a list of all of the components by phase and in alphabetical order. It breaks its components down by type. If you go to page seven, it shows the recommendation. The inflation factor that is used for this report is 3%. I realize we are way under that right now but there will probably be some day when we are way over the 3%. The next page is probably the one that I look at the most frequently in a capital reserve study and that is on page eight. It shows by year from 2013 through 2042, the list of current costs of your asset, the suggested annual contribution, the interest to be earned on the amount in your account, the projected annual expenditures and what it looks like your ending reserves will be. The last two columns, fully funded reserves and year end replacement percentage funded, I think probably is more common for HOAs. I think they have different requirements for the reserve requirements and how they have their pots of money, whereas you have one big pot of capital reserves. If you look at page 1-10, you will start seeing what is programmed to be replaced in each of these years. This is going to be reviewed closely.

Mike will look through these with staff and the board members and we will find that some of these items can be pushed back and some may need to be done sooner. I think the costs are pretty accurate, so we can plan what the contributions may be.

Mr. Williams stated I would like to see a column that shows what we spend on items in that given year.

Mr. Oliver stated we can do that.

Ms. Drinkwater stated we are anticipating that we are going to be using some funds in phase I from the bonds to do some improvements that are not included in here.

Mr. Oliver stated you are correct. Beginning on page 135, you will just see the actual individual components. We are working on some of the flaws that are noted in the report. Mike Usina worked very closely with Charlie Sheppard on this project.

**EIGHTH ORDER OF BUSINESS**

**Public Hearing to Consider Rate Setting and Policies – Resolution 2013-11, Setting Certain Rates and Fees Relating to Use of District Amenity Facilities**

Mr. Williams stated we have fees in place for the phase I amenity center but now that the phase II amenity center is on board it is time to reset some of these fees.

Mr. Williams stated under the third party vendor rental under District facilities, it says \$0 to \$100 to be determined by facility manager. Is that meant to be per event or per evening?

Mr. Oliver responded I think we have it like that because it would depend on the type of event. I would say there would be discretion with the property manager but we would also want to consult with counsel and the board on certain things because there would still need to be some uniformity, so there wouldn't be discrimination.

Mr. Walter stated it is designed to provide some flexibility. Obviously rates, fee and charges for local governments are generally for bigger things, like utilities, whereas here, we don't want to set a rate for every single thing. It is just trying to build some flexibility.

Mr. Williams stated because we are a public entity, we have to offer a pass for anyone that is not a resident and we set that rate at \$1,300 per year.

Ms. Drinkwater stated I just find the \$100 deposit to be low for rentals. I know there is an agreement that is made and that they are held liable but to actually give someone a check for a larger amount than \$100 may cause them to be extra careful.

Mr. Williams asked do you have an amount to suggest?

Ms. Drinkwater responded probably \$200 or more.

Mr. Williams asked do you think there should be a different amount depending upon which facility is rented?

Mr. Oliver responded I think the leverage you have here is the only people that can rent this are residents. Even if a resident was to cause damage in excess of whatever the security deposit is, you have the leverage of suspending their privileges to the amenity centers.

Mr. Williams asked is there a problem legally to have a different amount for the two facilities?

Mr. Walters responded no. Sometimes they are vastly different facilities and then they have different rates and fees.

Mr. Williams asked so if we had two different security deposit amounts, we would have to have two different agreements?

Mr. Walters responded or we could have a box to check which facility they are using. You would always want the same provisions.

Mr. Williams asked how does this match up with security deposits at other facilities?

Mr. Oliver responded I don't have any that is as high as \$250 but they are certainly not as low as you have in phase I.

Mr. Walters stated it can be different based on what that facility is used for. For example at Oakleaf, you have a facility that is used for weddings. For a wedding where you have 75 people where most of whom are not residents that are going to be drinking I think we have a \$500 deposit. For weekday parties at the smaller facilities, I think it is \$175.

Mr. Usina stated the other element you may want to consider is the amount of people we would allow in here. We have a limit of 20 people on this form.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor the Public Hearing to Consider Rate Setting and Policies was opened.

A resident stated the fee to rent may need to be more and not so much the security deposit.

Mr. Williams stated the fee for the phase I amenity center is \$30 and \$10 for each additional hour. Phase II is \$60 for four hours and \$10 for each additional. We did set a fee for pool gazebo if people want to reserve it. It is \$50 for four hours and \$10 for each additional hour. Those fees are intended to cover the wear and tear.

A resident asked if a resident damaged something, is it possible that damages assessed and not paid that it could be put into next years assessment on that household?

Mr. Williams responded no. If there is damage and it exceeds the security deposit, we as the CDD would request that from the resident. If they refuse to pay, we would have to try to effect collection methods. Some of those collection methods could include filing a lien on their home.

Mr. Walters stated we couldn't tack that onto the tax bill. We could move to collect against that individual. We could not file a lien against their property because it is not related to their property.

A resident asked and this carpet is in pieces, so individual pieces could be replaced, right?

Mr. Williams responded right.

A resident asked is there a way to let foreigners know when there is going to be a party?

Mr. Williams responded I don't think it is unreasonable for Mike to communicate when we have that deck or this room rented out.

Mr. Usina stated absolutely. There is a resource on our website, where you can check our calendar schedule.

A resident stated not everyone has access to the internet. The pool monitors should know to look it up before their shift.

Mr. Usina stated there is a training session on Saturday morning here. I will be here at 9:30 p.m. and I will suggest to them that they refer to our website for that schedule.

Mr. Williams stated maybe we need to buy a sign that says reserved for party.

On MOTION by Ms. Drinkwater seconded by Mr. Hill with all in favor Resolution 2013-11 Setting Certain Rates and Fees Relating to Use of District Amenity Facilities was approved as amended with change to \$200 for Room Rental Security Deposit at Phase II Amenity Center.

On MOTION by Ms. Drinkwater seconded by Mr. Arnold with all in favor the Public Hearing to Consider Rate Setting and Policies was closed.

**NINTH ORDER OF BUSINESS**

**Consideration of Phase 1 Capital Projects (Series 2003 Bond Proceeds)**

Mr. Usina stated in your agenda packages I provided a summary of the capital improvements. The first line item is the walking/jogging path at the multi-purpose field. I consulted with five different potential providers for this project. You can see the corresponding projected costs. There was varied abilities and capabilities related to each company and what they were able to or willing to provide in the way of surface material. Advanced was not interested in mimicking what Southern Recreation was willing to provide. Site Horizons, Inc. is out of Orlando was similar. Vallencourt is recommending asphalt or cement only.

Mr. Williams asked why is Southern Recreation the only one to offer the composite material?

Mr. Usina state I don't know.

Mr. Arnold asked so Advanced Recreational Concepts and Site Horizons couldn't bid the same spec as Southern Recreation?

Mr. Usina responded they chose not to bid. It is \$9,200 for the track and then it is either the pressure treated border or rubber border.

Mr. Williams stated from the last meeting we had the only concern I had was the lay out of the track because part of it was going to go across the basketball court.

Mr. Usina stated we were going to utilize one end of that court. Rather than invade the soccer field.

Mr. Williams stated let's talk about the exercise stations.

Mr. Usina stated there are two styles of exercise stations. At the April meeting we presented static exercise stations. There is no interaction with the equipment. You just move your body around the equipment. We did get some response from the residents about the possibility of interaction equipment. I have examples and have submitted pictures for the agenda package.

Mr. Arnold asked so we have room for 16 total stations?

Mr. Usina responded no. We have room for 10 stations. It could be a combination of stations. The jogging track is roughly 1,000 feet.

Mr. Williams stated so this one is truly down to how much money we want to spend.

Mr. Usina stated each piece is a little different in cost.

Mr. Hill asked what is the maintenance on the interactive versus static stations?

Mr. Terry Rogers responded you have a greater potential for more maintenance on the interactive stations than the static stations.

Mr. Usina stated there are provisions for mounting of the equipment. There is a distinction depending on the type of frame that there is. We either have a wood frame around it or a rubber frame around it.

Mr. Terry Rogers stated you don't want to have to mow and weed eat around these pieces. Depending on the size of each piece of your equipment, your station area would be 8x12 or 15x20.

Mr. Usina stated BYO does not provide framed areas. Advanced Recreation would do it but it would include rubberized material.

Mr. Williams stated I noticed that Southern Recreation on the cost for the equipment is more than for BYO. Is it the same equipment?

Mr. Usina responded the interactive is the same equipment. It is their own private label. BYO is national and they have their own agreement with a manufacturer to build static equipment for them at a certain price based on volume.

Mr. Hill stated one other thing to keep in mind is BYO does not include installation.

Mr. Usina stated yes that is correct.

Mr. Oliver stated working number is \$100,000 and that is not including item number six, which was previously approved.

A resident stated in looking at the different types of static and non-static equipment, personally I think the interactive machines are better suited for people. They look better to me.

Mr. Williams stated there is about an \$800 difference per piece.

A resident stated you could choose some interactive and some not.

A resident asked so the track is going to go around the field, right?

Ms. Drinkwater responded no.

Mr. Williams stated they actually got really creative. It is this area right here.

A resident stated I would ask the board to consider the usability of the equipment. I know the residents may want the interactive equipment but I would offer a suggestion as to the usability of the current facility of the gym that we have and the equipment that is already in there that is already interactive. I would say we need to use our money wisely and consider the aspect that the gym is not over capacity.

Ms. Drinkwater stated I have several homeowners tell me that it is over capacity and that it is very difficult to use the equipment. They wish there was another facility here.

A resident stated there are some major deficits in muscular equipment that are not addressed by the equipment that is in the gym; for example, abductors and adductors. You could chose equipment outside of the gym that works different muscle groups than what you can use in the gym.

Ms. Little asked is there any of your exercise stations within the local area?

Mr. Terry Rogers responded I don't have any interactive pieces in the area. They are mostly static pieces.

A resident stated I think it would be interesting to speak to some of the locations that has this equipment and see how often it is being used.

A resident stated I live across the street and I see issues with kids all of the time. I am constantly coming over here and shining my flashlight to pull people out of the pool at 10:30 p.m. I hope we budget money in 10 years to repair this equipment.

Ms. Little asked at the current indoor facility, how many people are we getting in there at one time?

Mr. Usina responded it varies. I have never seen it packed but I have six or eight people in there at one time and that is pretty crowded for that size of facility.

Mr. Arnold stated using the Southern Recreation numbers, in order to put in a walking/jogging patch and 10 static workstations with the pressure treated border, the total is \$29,265. In order to do the same design with the rubber border with 10 static workstations, it is \$37,265.

Mr. Terry Rogers stated the only difference in those two numbers is the border.

Mr. Hill stated I am doing some math in my head and everything in here minus the rebound wall comes up to \$80,000. That would be six stations along with the rubber border.

Mr. Williams stated and we have \$100,000 that we need a decision on.

Mr. Hill stated so we can basically fully fund everything.

Mr. Usina stated we were worried that if we use only static stations that people may lose interest in the track.

A resident stated the rubber is more expensive but it clearly looks better and it will last longer. I like the brown.

Mr. Terry Rogers stated this is a sample of the track material.

Mr. Williams stated one of the items we have to understand better is the concept of storage. I think we need to talk about that and how that is going to factor into this.

Mr. Usina stated my goal as it relates to storage was to try to increase the existing footprint that we rent every month and to anticipate future growth and/or needs going forward. One of the cheapest ways to provide storage is to utilize cargo containers. There are many varieties of them. Cargo containers are made of aluminum that were used at some point as refrigerated containers. The advantages of aluminum versus steel are the rust. Aluminum is quite a bit cooler. In the Florida sun, the steel container can be twice as hot as the outside temperature. Aluminum generally runs at the same temperature as outside. A 40 foot container would provide us with a very economical footprint storage space. The alternative to it would be a prefab modular unit that we would buy from Home Depot. The costs are very much the same between the two. It may be more cosmetically appealing and aesthetically pleasing to the eye to go

with a structure that looks more like a shed versus a cargo container. We could paint the cargo container and tuck it into a tree line. There are no potential locations in and around phase one for the storage container. We are using the entire footprint at this amenity center. One location is out by the road. It would be behind the volleyball court, which is behind the pool complex in phase one. It would run behind the fence that exists. There would be a little bit of landscaping that we would have to adjust and remove a tree or two. It would run almost adjacent to the Bellsouth sub station there. The other location is behind the pond. It would run in the tree line back where the sidewalk ends.

Ms. Drinkwater asked does anyone remember what the cost was to build a storage facility?

Mr. Oliver responded Tom Welch had estimated \$40,000.

Mr. Williams asked what is the price of a storage unit that would have electricity in it?

Mr. Usina responded the aluminum cargo container that I would recommend is \$5,250 and tricked out it would be \$9,100 delivered.

Mr. Williams asked does that include the concrete?

Mr. Usina responded no.

Mr. Hill stated my opinion is that a container will detract from the appeal of our community. It just seems to have a look to it that I don't know that I want in our community. I think it looks cheap.

Mr. Williams stated that is my comment too. If we did it, I would be opposed to putting it up front.

A resident stated I would like to know the dimensions and the height of the container. A lot of the people that are going to be using this container are going to be using it for decorations. I think the location back behind the retention pond is too far for people to be carrying things back and forth.

Mr. Hill stated I have never dealt with an outside storage unit. Is it that big of a pain to use it?

Mr. Usina responded we are paying about \$100 a month for a 15x15 foot room. We are taking things back and forth to it.

Ms. Drinkwater asked would you feel that there would be a portion of that storage facility that would also be used for things other than for decorations?

Mr. Usina responded if there was room in it and I needed to store something then I would use it.

A resident stated I think the storage unit you are talking about is a good idea.

Mr. Williams asked how would you feel about a more shed looking structure?

Ms. Little asked are we comparing apples to apples?

Mr. Usina responded not in terms of space. A Home Depot shed in the \$5,000 to \$10,000 range is going to be a little over half of the footprint of a cargo container but it is more inline with what we have right now. What it doesn't provide is growth. We can go bigger though.

Mr. Williams asked what is the size of the storage container?

Mr. Usina responded it is 40 feet long by eight feet wide.

Mr. Williams asked did you get a cost from Home Depot on a shade from them?

Mr. Usina responded yes. The biggest one they have is 12x24 and those were all around \$5,000 to \$10,000. The lighting and electrical would have to be added.

Mr. Williams asked so if we wanted a shed that was 10x40, you didn't price that?

Mr. Usina responded no. I would suggest a 20x20 if we were going to go with a shed. It would be more square and look better for a residential community. It would fit in both spots.

Mr. Williams stated I am struggling with a storage container sitting out. The only way I would consider it is in the back area, where it is far enough out of sight.

Ms. Drinkwater stated I wouldn't even consider it in the back. I think it devalues from our community.

A resident asked couldn't we put something that would look similar to the clubhouse?

A resident responded I would support a container or some kind of storage facility in the back with a degree that we could buy a transportation device to take things back to it.

Mr. Williams stated we could say we are going to allocate \$40,000 to build an appropriate storage structure that meets everyone's aesthetic requirements in that back

area. We could take another \$40,000 and put towards this track and then we have another \$20,000 for other things. We have talked a little bit about the rebound wall. Is it on the actual footprint of the basketball court?

Mr. Usina responded no. It is at the edge.

Mr. Williams asked how tall is it?

Mr. Usina responded 10 feet.

Mr. Williams asked and how wide is it?

Mr. Usina responded 24 feet.

Mr. Williams asked and what would that cost us?

Mr. Usina responded \$6,900.

A resident asked so in order to use the rebound wall, you have to use the basketball court?

Mr. Williams responded yes. I personally could care less if we put a rebound wall up. Is anyone interested in a rebound wall?

Ms. Drinkwater responded no.

Mr. Hill stated I am not.

Mr. Williams stated it really boils down to the fact that there is really no place to put it. I am going to say to take the rebound wall off of the list. What is the cost of a shade structure in the pool area?

Mr. Usina responded we have three quotes. We got a late adjustment on a quote that I forwarded to everyone yesterday. We are in the range of \$6,700 to \$9,200.

Mr. Williams asked are those wireless speakers?

Mr. Usina responded no. They are hard wired.

Mr. Williams asked how do we keep them from getting stolen?

Mr. Usina responded we have video surveillance. They will be built into the ground.

Mr. Williams asked how hard would they be to walk away with?

Mr. Usina responded not easily but you could if you really wanted them bad enough. They are foot printed into the ground. If we go with the low bid, the speakers are going to be imbedded into the ground by five inches. These are installed prices.

Mr. Williams asked where is the microphone going to be installed?

Mr. Usina responded it will be trenched from speaker to speaker and we will conduit up our pillars.

Mr. Williams asked how will this work on a Saturday?

Mr. Usina responded the plan would be to have Pandora. We would use equipment that would allow us to choose whatever radio station we want. It would be on a timer.

Mr. Hill stated you are not going to please everyone but if it is a contemporary type of thing then it is fine.

A resident stated those fountains are very loud down there. How loud would the music have to be for the residents to be able to hear it?

Mr. Hill responded that is a good point.

Mr. Usina stated this quote does not include breezeway sound. To put a couple of speakers on the breezeway would not drastically change these quotes. The plan would be to emphasize the adult pool. We would have 10 to 12 speakers. Nine of those speakers would be around the adult pool. The install plan based on the spec of the speakers would be to provide a speaker every 20 or 30 feet, so that there is constant sound.

Mr. Hill stated I am thinking about the noise comment because it is not quiet by the pool. Then I am also thinking back to if we say the audio system is a good idea, can we just take the budgeted amount and move it more to the breezeway area. I think that budget would be sufficient for the breezeway, as well.

A resident asked how many other facilities, do you see audio systems?

Mr. Oliver responded I don't know of any, other than Julington Creek may have it.

Mr. Hill asked are we going to strike the sound system?

Ms. Drinkwater responded I think we can strike it.

Mr. Williams asked do you want to look at a sound system for the breezeway and not at the pool?

Ms. Drinkwater asked what was the feedback we got from the residents?

Mr. Williams responded the survey comments were to have it at the pool.

Mr. Usina stated the audio system was number 10 on the list out of 12.

Mr. Williams asked do we want to say up to \$4,000 for the breezeway only?

Mr. Hill responded let's take half and say up to \$5,000 for the breezeway.

Mr. Williams stated I would expect it to be a lot less because we wouldn't have to trench the wires then.

Mr. Usina stated this is adding two new shade structures to the adult side of phase one amenity center. They would be 12x12 versus 14x14. They would be located on the adult side of the pool.

Mr. Williams stated Southern Recreation is the lower bid. From what I am hearing the board is in agreement for those two for a not to exceed amount of \$6,000.

Mr. Hill stated yes.

Ms. Drinkwater asked what is the warranty on them?

Mr. Usina responded they have a 10 year warranty.

Mr. Williams stated I think I skipped over the additional swings.

Mr. Usina stated that is in process. That is part of the reconfiguration of the phase one playground.

Mr. Williams asked is that part of the \$100,000?

Mr. Usina responded yes. That comes out of the \$100,000.

Mr. Williams stated so \$50,000 for items one and two. \$2,000 for item number three. We are skipping the storage shed. We are thinking \$5,000 for the audio system. \$1,000 is for the televisions. The shade structure is \$6,000. Those total \$64,000. You have \$36,000 left to spend. We could say let's spend a do not exceed amount of \$36,000 and we can build the best storage facility we can in the back.

Mr. Hill stated we could add tall trees or bushes around the storage shed.

Mr. Williams asked how much was the rebound wall?

Mr. Usina responded I would say \$10,000. Could we consider putting lighting on the welcome sign? I can't put a number on it now. That welcome sign could use some work.

Ms. Drinkwater stated I agree.

Mr. Walters stated these funds have to be used for capital items. That doesn't mean capital items can't be purchased with regular operation funds. Obviously, you guys run an extremely tight budget. You are within 2% of your budget. If next year or the year after that, you wanted to allocate \$10,000 for certain things, you could always do that.

Mr. Oliver asked are you talking about the marquee sign?

Mr. Usina responded yes.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor to Allocate Remaining Capital Funds for the Following Projects in Phase One: Walking/Jogging Path with Exercise Stations at a not to exceed amount of \$50,000, Additional Swings on Multi-purpose Field at a not to exceed amount of \$2,000, a Rebound Wall with a not to exceed amount of \$10,000, a Storage Facility to be Built at a not to exceed amount of \$26,000, an Audio System for Breezeway Area at a not to exceed amount of \$5,000, Additional Shade Structures at a not to exceed amount of \$6,000 was approved.

Mr. Williams stated I think we should go with Southern Recreation for the shade structure, the track, exercise equipment and the rebound wall.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor the Proposals from Southern Recreation for Shade Structure, Walking/Jogging Path, Exercise Equipment & Rebound Wall was approved.

Mr. Williams stated I just want to confirm that we are going to go with the more expensive rubberized border for the fitness equipment.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters stated if anyone has any questions on legislative issues please call me. Obviously, we had in depth discussions about the concept of tax exempt status for bonds. We talked at some length about the Villages CDDs. There was ongoing audit with that District. The IRS did issue a TAM and they concluded in their TAM that the Villages CDD is not a political subdivision, which can issue tax exempt bonds. The question is how does that affect us? The reality is right now it doesn't affect us at all. We talked about taxable events and this is not a taxable event. That is an extremely

specific District. The IRS focused time and time again on the fact that that District will never be controlled by residents. It doesn't have any residents, so therefore, it will always be controlled by the Developer. That has been going on for six years and I anticipate it going on for another few years because they are not going to simply accept that conclusion. They are going to appeal it.

**B. Engineer – Requisition Summary**

**1. Consideration of Requisitions**

- a. **Requisition No. 244, \$1,700.00 Repayment to Reserve Fund – Duda Pools ADA Improvement (Series 2013)**
- b. **Requisition No. 245, \$391.00 Payable to Hopping Green & Sams (Series 2013)**
- c. **Requisition No. 246, \$2,502.30 Payable to Hopping Green & Sams (Series 2013)**
- d. **Requisition No. 247, \$138.00 Payable to Hopping Green & Sams (Series 2013)**
- e. **Requisition No. 75, \$1,497.74 Payable to Hopping Green & Sams (Series 2006)**

Mr. Weeber stated included in your agenda package are five requisitions for your approval. The first one is a repayment to the reserve fund for the ADA improvement to the pool.

Mr. Arnold asked the last one appears to be coming out of the 2006 bond?

Mr. Walters responded correct. I looked at the invoice on that. It is related to the acquisition of this facility. I believe there is still \$16,000 in that construction account. This is the final invoice that I am aware of. Once this invoice is paid out of it then the funds get flushed through on deferred cost.

Mr. Arnold asked so that is for paying for your time for the turnover of the facility?

Mr. Walters responded correct. We worked with the counsel for the Developer on real property issues, bills of sale, warranty, turnover, etc. It is the final invoice from me. I don't know of any other invoices.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor Requisition Nos. 244, 245, 246, 247 & 75 were approved.

**C. Manager – Proposed Meeting Schedule for FY14**

Mr. Oliver stated included in your agenda package is the proposed annual meeting schedule for fiscal year 2014. The meetings are scheduled for the second Wednesday of every other month.

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor the Annual Meeting Schedule for Fiscal Year 2014 was approved.

**D. Facilities Manager – Amenity Center and Operations Update**

Ms. Drinkwater asked what is the status of the conservation area, which was cleaned out by the Division of Forestry?

Mr. Usina responded it continues to be a work in progress. Based on the approval of that and the schedule at the time, we contacted Taylor Tree Service. They began work last week. They came back today.

Ms. Drinkwater asked so what is the estimated time on that?

Mr. Usina responded it is piece meal. I am pushing as hard as I can to get it done.

Mr. Williams asked is the security system/alarm system back up and running now?

Mr. Usina responded yes. Based on the practical nature of the traffic at phase one, I have chosen not to monitor it. I have Atlantic Security monitor it and based on an alarm, call the police. We have so much different activity going on. We have to physically be there to arm it and disarm it that system. If someone breaks into the facility, the alarm will go off but we don't have a monitoring company calling the police based on that.

Mr. Williams asked are you telling me that it hasn't been monitored in the past?

Mr. Usina responded no. We could monitor it. It is \$50 a month to do that but we risk a lot of false alarms. I am very concerned about false alarms.

Mr. Williams asked why are we replacing stop signs?

Mr. Usina responded I replaced four already in the neighborhood that were faded or vandalized. The signs were supplied by St. Johns County for free. It was requested by residents.

Mr. Williams stated I just didn't know whether they were ours to do our St. Johns County?

Mr. Usina responded it is St. Johns County's to do. We have custom holes that don't match the predrilled stop sign they provided. This is the time of year that we would want to beautify the circle at the amenity center, as well as fix the berm, where the mailbox is located. It would be a combination of plant material and sod. I presented these back in December originally.

Ms. Drinkwater stated after I looked at these plans and consulted with an arborist, I had one comment. Since shrubs compete with trees for water and nutrients, I suggest the plan with light perennials as opposed to shrubs encircling the tree trunk.

Mr. Williams asked where would this be funded out of? Would this be funded out of the current budget?

Mr. Usina responded it could be. Does this not fall into a capital improvement?

Mr. Oliver no, not for landscape.

Mr. Hill stated I would hold on that for now.

Ms. Drinkwater stated I agree. It does look nice but we are going to do other things.

Mr. Usina asked for \$600, could we do something with that berm?

Mr. Williams responded I would just say to bring this back to us next spring. Why is there a recommendation to replace some of the current fence at the tennis courts?

Mr. Usina responded we have 100 feet of fence, 50 feet on each end that is curled up. Tennis balls are running out into the landscaping as a result of it.

Mr. Williams stated when I looked at our capital reserve study, this fencing has a 22 year life span.

Mr. Usina stated I understand that. I am just reporting to you on the condition of it. The ends are curled up and it is also allowing pine material to come into the court itself. They would run a continuous wire or channel on each end to bring the fence back in line where it should be. Replacement fencing is for the gates. Fencing in that four foot section is bulging. It looks awful. We are talking about 50 foot of fencing that would be purchased to replace some of the distorted fencing in and around those gates. The gates don't even close anymore.

Mr. Williams stated I am disappointed that it is only 10 years old.



Mr. Oliver stated included in your agenda package is a balance sheet and income statement.

**B. Approval of Check Register**

Mr. Oliver stated included in your agenda package is a check register.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor the Check Register was approved.

**C. Assessment Receipt Schedule**

Mr. Oliver stated included in your agenda package is an assessment receipt schedule.

**FOURTEENTH ORDER OF BUSINESS**

**Next Meeting – Wednesday, August 14, 2013 at 6:00 p.m. @ Phase II Brandy Amenity Center, 251 Huffner Hill Circle, St. Augustine, Florida 32092**

Mr. Oliver stated the next scheduled meeting is August 14<sup>th</sup> at 6:00 p.m. at this location.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

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

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairman / Vice Chairman