

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 11, 2014 at 6:00 p.m. at the Brandy Creek Phase 2 Amenity Center, 251 Huffner Hill Circle, St. Augustine, FL 32092.

Present and constituting a quorum were:

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| Dianne Drinkwater | Vice Chairperson |
| Barbara Little    | Supervisor       |
| Jason Hill        | Supervisor       |
| Charles Arnold    | Supervisor       |

Also present were:

|               |                  |
|---------------|------------------|
| Jim Oliver    | District Manager |
| Jason Walters | District Counsel |
| Mike Usina    | Facility Manager |
| Joe Taylor    | Johns Creek POA  |

**FIRST ORDER OF BUSINESS**

**Roll Call**

Ms. Drinkwater called the meeting to order at 6:10 p.m.

**SECOND ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the April 9, 2014 Meeting**

Ms. Drinkwater stated on Page 11, there was a comment made by me. It says 45 miles per hour, it should say 25 miles per hour. On page 13, third paragraph, it says "Ms. Drinkwater stated I can remember...", it should be "I cannot remember..."

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| On MOTION by Ms. Little seconded by Mr. Hill with all in favor that the minutes of the April 9, 2014 meeting were approved with revisions. |
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**FOURTH ORDER OF BUSINESS****Acceptance of the Minutes of the April 9,  
2014 Audit Committee Meeting**

On MOTION by Mr. Hill seconded by Mr. Arnold with all in favor that the minutes of the April 9, 2014 Audit Committee meeting were approved.

**FIFTH ORDER OF BUSINESS****Acceptance of FY13 Audit**

Mr. Oliver stated on Page 2 of the opinion letter, it says, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2013 in accordance with generally accepted accounting standards in the United States. Following that is management's discussion and analysis followed by the year-end financial statements. The notes to financial statements begin on Page 13. On Page 26, it states the developer paid approximately 15% of the assessments of the District during FY13. It also shows the Developer conveyed this amenity center to the District, and that is valued at \$1,327,000. If you turn to Page 27, that is the report on internal control. Look at the bottom paragraph of Page 27, you will see the sentence, "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses." Page 30, the second section, it says the rules of the General Auditor require a statement be included as to whether or not the local government entity has met one or more of the conditions in 218.503(1) of the Florida statues that would indicate a financial emergency. No such conditions apply here. We have a clean audit. This will be provided to the Auditor General.

On MOTION by Ms. Drinkwater seconded by Mr. Hill with all in favor to accept the FY13 audit was approved.

**SIXTH ORDER OF BUSINESS****Update Regarding Audit Committee**

Mr. Oliver stated the audit committee met earlier tonight. They ranked the proposals in response to the RFP. Grau and Associates was 1<sup>st</sup>, Berger Toombs was 2<sup>nd</sup>, and Carr Riggs was 3<sup>rd</sup>. If the board approves such, we will request an engagement letter from Grau and Associates to do the FY14 audit.

On MOTION by Ms. Drinkwater seconded by Mr. Hill with all in favor to request an engagement letter from Grau and Associates to perform the FY14 audit was approved.

**SEVENTH ORDER OF BUSINESS****Consideration of Resolution 2014-03,  
Approving Proposal Budget for Fiscal Year  
2015 and Setting a Public Hearing to Adopt  
Budget.**

Mr. Oliver stated this resolution will approve the proposed budget so we can meet the statutory requirement to provide this to St. Johns County by June 15. We are required to provide it to local government by that date. You will set a Public Hearing to be held no sooner than 60 days of approval of this budget. Your Public Hearing will be August 12<sup>th</sup>. We have the next 60 days to refine this budget. Nothing happens in terms of adoption until we have the Public Hearing. If you look at the budget provided in your agenda packet, the first thing I want to point out in the General Fund budget, if you look at the very top line, maintenance assessments, you will see that assessments remain stable at \$586,182. If you look at the bottom of that page, the Per Unit Assessment stayed stable at \$1,069.64. If you approve this budget in its present state without an increase in assessment, that means we can't go the budget hearing with the option to raise assessments. Some people would not be noticed for the Public Hearing because assessments are not going up, and they decide not to go to Public Hearing. I want to bring that to your attention. As you look at the budget, there is nothing particularly unusual about it. The very last line under Maintenance, you will see Capital Reserve. We had to increase the Capital Reserve contribution from \$40,250 to \$62,959. Total revenue remains stable. Net assessment stays the same. The arbitrage cost had a lower fee. You see the administrative expenses dropped from \$122,000 to \$119,000. If you go down to maintenance expenses, you see an increase of \$6,000.

Ms. Drinkwater stated the insurance dropped from our budgeted item of \$16,500 to \$14,500. That is great. Were you able to negotiate the insurance?

Mr. Oliver stated it wasn't a matter of negotiation. When we estimated our budget for insurance last year, we budgeted slightly higher, based on the insurer's estimate. The actual was \$14,500. So we are using \$14,500.

Ms. Drinkwater stated another one I noticed was landscape maintenance.

Mr. Oliver responded we thought we could take a risk there, but you will also notice on the line under we have increased landscape contingency from zero to \$10,000. So we have tied landscape maintenance specifically to the contract, and then we separated contingency.

Ms. Drinkwater stated I would think we could use that landscape contingency for items such as additional work in the entrances that might not be part of the contract and any kind of tree work. The next thing I had a question on was the General Facility Maintenance. It is kind of like an all-inclusive bucket. I think \$24,000 seems quite high, five percent without an explanation of it. I was talking with Jim about what that entails. I know it is power washing, but is there anything in there that we could split up and move to another category?

Mr. Oliver stated I will evaluate that. I will look through the invoices for this year and see what is major. Power washing is certainly more costly. I know there was some mulch work that was done and that was tied to the Department of Forestry work where some of the natural areas were cleaned up and mulch was spread.

Ms. Drinkwater stated for something like that, personally I would like to see that shift to the landscape so we can actually see how much we are spending on that landscaping. We were significantly under budget for the water, sewer, and irrigation, which allowed you to bring that number down to \$32,000.

Ms. Little asked how did the refuse service drop from \$12,000 to \$5,000.

Mr. Oliver responded when we prepared the FY14 budget, we projected having dumpsters at both facilities. So what we have done is just have one dumpster. Trash that is accumulated is then transferred to that dumpster.

Ms. Drinkwater asked about the Debt Service Funds for Series 2013A, the assessable units I see 399, is that a typo?

Mr. Oliver responded property owner can pay off their debt service. One payoff has occurred in Phase 1. Mr. Oliver stated you can approve the budget, which will be refined over the next 60 days leading up to the public hearing. One thing we won't be able to do is increase the budget.

On MOTION by Ms. Little seconded by Mr. Hill with all in favor that the board accept Resolution 2014-03 approving the proposed budget for FY15 and set a Public Hearing for 8/12/14 @ 6:00 p.m. was approved.

## **EIGHTH ORDER OF BUSINESS**

### **Consideration of Proposals for Marquee Sign**

Mr. Usina stated I have some supplemental information to give you. The advance quoting is in your package. Here is a reminder of what our current sign looks like. Attached to that particular package is more detailed information related to one of the four quotes we have received. I highlighted the one I would recommend the board consider based on similar quoting that we received from other companies. Here is another quote that arrived late, but I think it is worthy of consideration. It is from a company I have done a lot of business with. The other quotes you have are from Sundancer Signs and Southern Woods. In summary, we have marquee quotes from Giglio Signs, Stephens Displays and Signs, Sundancer Sign Graphic, and Southern Woods. What I asked all of these potential bidders to create was a similar sign from the standpoint of having the specs be standardized. One of the quote does not have much information associated with it, and accordingly is on average about half the quote of the three that have supplied adequate information and the corresponding quote. I am little concerned about the low quote in this group of four for that reason. One of the requirements that I made of these bidders was that the sign be made of material that was conducive to the environment it was going to be in, and to give it as long a life as possible given the Florida environment. I asked for either recycled materials that have been effective in outdoor use as well consideration for aluminum, and I demanded that any hardware associated with this sign would be stainless, so we would reduce the potential for rusting over time. The three bidders that gave us pretty good detail on the construction of the sign have provided those materials in their bid.

Ms. Drinkwater stated I have a question. Stephens Display Signs that you are recommending, have you looked at any of their other work? Have they done signs of this nature?

Mr. Usina responded yes. They are the primary provider for signage for Mercedes Homes and have recently locally provided marquee signs, information signs, just like this. The rendering that I asked for will give us a feel for how it will look. I asked for a sign that had a

conforming style to it. This is John's Creek style related to the way the sign is shaped. It will feature our logo and our name, which the current sign does not. At one point I thought we should backlight this sign, but a strong recommendation was that we provide lighting from the ground up so it would be more easily read. I think that would be a nice addition to what we have had historically.

Ms. Drinkwater asked what about accessibility? When you have to change the letters, I have heard that it has been very awkward. How about this, does this meet the needs?

Mr. Usina responded yes. There are a couple of different approaches that are being suggested. We are going to do a piano hinge, a full-length hinge on the inboard side of the sign so it will open like a door. It will open in towards the woods versus out toward the street. I think the full length hinge will give us the integrity we need to hold that piece of glass. I will point out that if you look at the numbers, all are very close - \$3,394, \$3,350, and \$3,300, so they are all right there. I think some of that has to do with the spec I provided. These are three separate companies with absolutely no information who are coming to us with proposals based on the spec I gave them, and they are all within a few dollars of each other. Stephens offered an upgraded package, which I didn't feel was necessary, but here is the point of interest in that. They would provide a custom welded aluminum box that would actually incorporate the lines of information and would be inserted into the frame of the sign. It is a much more weatherproof way to construct the sign. Giglio plans to do that within their \$3,300 quote. That black and white attachment from Giglio, that is in the box.

Ms. Drinkwater asked is there any reason why we wouldn't want to use Giglio? How have they been to work with?

Mr. Usina responded they have been great. They have done all the signs historically in John's Creek, all the street signs. These other two companies have very good reputations. Sundance is within the area. I was encouraged by their quote because they have quoted for us in the past and have been on the high side. This was a pretty competitive quote. The referrals I got from Stephens, they do good work. Giglio knows us. I have worked with Steve, and he has done a good job. A lot of the graphics that will be used already exist on their tooling at Giglio.

Mr. Arnold stated I have experience with all three, and I would put them all as qualified bidders.

Mr. Hill stated my preference would be to go with Giglio.

On MOTION by Mr. Hill seconded by Ms. Little with all in favor to accept the proposal from Giglio signs for the new marquee board was approved.

**NINTH ORDER OF BUSINESS****Discussion of Proposals for Special events  
Management and Amenity Center Staffing  
Services****A. Amenity Services Group/Vesta****B. Elite Amenities**

Ms. Drinkwater stated what I am going to recommend is that everyone take a look at this. You may want to absorb this a little bit more and have further discussion at another meeting because we did get one late. I do want to mention that whatever at end if the entire board wants to and chooses to go another route and do a restructure that these numbers are already within the budget, so we wouldn't have an issue with that. That the recommendation I have. I don't know what you think Barbara, Charlie, and Jason on whether or not you want to reconvene this and discuss it after you have a good chance to look at it. We can discuss it tonight and then maybe reconvene in July.

Mr. Hill stated my opinion is that we need to be pretty diligent with this proposal because it is a restructure of how we do business. I would like more time to review and think about the services we have with our current structure.

Ms. Drinkwater asked do you have any questions or would you want to take a closer look at this and really do a detail. I have not had the opportunity to do a detail line by line. I did notice a difference if we pass the amenity and go to the operations and the detail between the ASG and Riverside Management.

Ms. Little stated this is a lot of absorb. I think if we want to compare line-by-line, we have to do a good assessment prior to making a final decision.

Ms. Drinkwater stated I agree. I would hope that each one of us go back and do our own line-by-line and come back.

Ms. Little stated I have done that, and there is a lot of pluses and minuses. I liked the references we received from one of them.

Ms. Drinkwater stated I already reached out on some of the ASG references. One is Melissa Dobbins from another CDD management company and asked her what her opinion was. What she basically said is that it all is dependent upon the manager who is managing it to get them to do what they need to do. She says she has not had any issues at all with their services.

Mr. Oliver stated what we will do at the end of this meeting is continue your meeting just to discuss this issue. One month from now would be July 9<sup>th</sup>, that is a Wednesday.

Ms. Drinkwater asked does that work for everyone?

Mr. Joe Taylor asked could I get a definition of a Special Events Manager?

Ms. Drinkwater responded Part-time Amenities and Events Coordinator. "The purpose of the scope of service is to seek a qualified part-time individual 20 hours per week with additional hours as needed for event execution who shall be responsible for the oversight and administration of the Brandy Creek Amenity Center. This position will also include planning events for the community, facility administration duties." Do you want to know that as well as the event? There are two different ones here.

Mr. Taylor asked is this going to be in conjunction with the POA or is this a separate entity? My second part of that question was the \$4,000 that has been budgeted or proposed, is that going to be for your special events or is it going to still continue with the POA?

Ms. Drinkwater responded the best way I can describe this is this position would coordinate, and I will share this with you at a later time, but would coordinate the events, the special events itself for the communities, which are Phase 1 and Phase 2. They would coordinate that alongside of using volunteers from both Phase 1 as well as Phase 2 in order to facilitate special events, any kind of event, within the two communities overall under Brandy Creek CDD. Does that answer it?

Mr. Taylor responded that answers it, but I somewhat feel like the CDD is infringing on the POA. Four months ago we brought it up for possibly the CDD taking it over, and we didn't have a volunteer, that was all well and good. But things changed, and we are back to where we had actually decided that we are going to hire an event planner. They would come to the meeting here and propose it to the CDD. We saw the problem with hiring our own event planner. Vesta came forward. I don't see the reason why we are not keeping it the same way.

Ms. Drinkwater responded the difference in my proposal and bringing it forth for the board to look at is we are no longer Phase 1 only, we are Phase 1 and Phase 2. Those two are

under the umbrella of the CDD, and many communities that I have seen, and I have come to deal with, many of the events are under the umbrella of the CDD as well as paid position to do that using volunteers from the communities. There are some communities that have several sub-associations, and that is the best way to manage it because all of the events are actually under the CDD and using the real estate within the CDD, so that was the purpose of it, and that is what is before the board to try to make a decision of how they want to go with it, and what they think is in the best interest.

Mr. Arnold stated my company is still the declarant and in charge of the Phase 2 POA. There is a statutory timeline for the declarants to turn it over to the residents. We wouldn't like to turn it over prior to the deadline. It is anticipated that it would probably first quarter of next year. The community will be mature enough to turn up. We have challenged the property management partner that we both share, we actually have the same property manager of Phase 1, we changed them to tell us the differences between the two documents so that we can consider taking action prior to turnover to adopt the same rules that Phase 1 has adopted. There will be some need for differences, but I hope it will help the residents of Phase 2 to take over an association that is positioned to mirror its sister association. I hope to complete that work by the end of the year. The residents will be notified as to why we are doing it and what our recommendation is, and we will take action. A resident-controlled board of Phase 2 could reach out to a resident-controlled board of Phase 1 and start to communicate on how they can co-exist. I'll make a point to communicate with the Phase 1 POA and solicit some input before any action is taken in Phase 2.

Ms. Drinkwater stated Joe, from what I am hearing from you, you are concerned about Brandy Creek CDD taking over the amenity special events and how that is going to affect you.

Mr. Hill stated I appreciate the feedback and concerns.

Ms. Drinkwater stated they are always going to need volunteers for any event. If we decide to go that route, then your volunteer wouldn't be necessary and absolutely needed in sharing viewpoints and so forth with us. Do you still want to do events on your own, sure you could. You absolutely could. What we are hoping to do is pull both phases together, and that was the purpose of this, and again, it is based on my knowledge of other communities and how they operate. We now have two sub-associations here, no longer one. I have heard them talk about Phase 2 being the red-headed stepchild, and they are not. They are very active also, but it

is to bring both communities together as one community. Are there any other questions? Is July 9<sup>th</sup> good for everyone?

There was agreement.

**TENTH ORDER OF BUSINESS**

**Discussion of Proposals for Operations Management Services**

This will be continued at the July meeting.

**ELEVENTH ORDER OF BUSINESS**

**Other Business**

Mr. Oliver stated I have a draft copy of some recommended policies regarding lakes and stormwater maintenance facilities. They are not intended for recreation purposes. If we do adopt some policies, the facilities manager will have to address people when they are misusing the lakes, particularly non-residents who come here. Rather than discuss this fully right now, and we certainly can, but we can put this on the next agenda.

There was some discussion about St. John's River Water Management. Ms. Drinkwater stated what I understand is St. John's River Water Management does not have any restriction on swimming, boating, or fishing.

Mr. Arnold stated their goal isn't whether people stay clean, their goal is the water from the streets going to the proper places, control structures, operational activities, so that is their concerns not whether there is fishing in the ponds.

Ms. Drinkwater stated she wanted to know what the permit says.

Ms. Little asked are we going to table this?

Ms. Drinkwater responded yes, until July. We will still have the August meeting, but we are going to add the July meeting.

Mr. Taylor stated I would like to see something directing parents to explain to their children what trespassing is.

Mr. Oliver stated if it is adopted in whatever form, we will certainly post that and will get the word out.

**TWELTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters stated I don't have specific report for the board this month. They have wrapped up in the legislature. We have been providing capitol reports along with brief summaries. There were fewer bills passed this year than in the last 14 years. Very quiet year. If you have questions, feel free to give me a call.

**B. Engineer**

Mr. Oliver stated I have a requisition. It is from the project construction Phase 1 bonds. This is a Hopping Green invoice related to the construction project for \$437.00

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| On MOTION by Ms. Drinkwater seconded by Ms. Little with all in favor Requisition #263 from Hopping, Green & Sams for \$437 was approved. |
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**C. Manager**

Mr. Oliver stated you have 1,083 registered voters in the District. We are required to put that on the record. Three seats will be on the ballot this year. According to the Supervisor of Election website, and both Gary and Barbara have filed to run for the seats they currently hold.

**D. Facilities Manager**

Mr. Usina stated I have a couple of highlights. We have appealed to the county for subsidy related to building a sidewalk on South Fieldcrest between John's Creek Parkway and Willow Branch. That is under review. A decision will be made in two weeks. We have formally requested that the county build that sidewalk for us at county expense. I will keep you posted. Regarding the outdoor lighting proposal that was approved by the board in February that languished, the electrical contractor we choose who got married has now passed the work. The project that he took on has become more all-consuming than he ever would have anticipated. He is apologetic. He happens to be the electrician that did the electrical package here at Phase 2 for us originally. With respect, he has passed on doing the job. I would like to ask the board to allow me the opportunity to go back and start over effectively and bring us fresh proposals rather than go back proposals that now are dated some three or four months at least.

All the board members agreed.

Mr. Usina stated with respect to the utility shed, we are within days of it being done. There was a potential snag based on a site survey that was thrown at us somewhat last minute by the County, but Brad Weeber has come to our rescue and has provided the information required

to satisfy the county's requirements at virtually no cost to us. This has been resolved. We will have final inspection and then the CO. Hopefully next week I will be able to report that it is done. The email blast program is well underway. I hope you all are receiving your email blasts. We are trying to send something out weekly that is relevant and has some interest. We are running almost 50% readership, so out of the 392 registered email addresses, about half of those are opening the mail. That is not a bad start to the program. I will be happy to publish something on your behalf. We are in the process of acquiring restocking permits for the ponds. It has been a while since grass carp has been introduced into our ponds. It is part of our existing contract with Charles Aquatics, so it doesn't represent additional costs to have these ponds restocked. I think it wasn't being done, but after reviewing the contract and working closely with the ownership of Charles Aquatics, we are getting more support than we have been getting. My report comes out monthly, and we are very engaged on maintenance of the 9 ponds at John's Creek.

Ms. Little asked how often do the Lake Doctors come?

Mr. Usina responded they are here once a month. More may be required based on any maintenance issues that may come up with a particular pond. They will also come out at my request. They generally come the first week, and I get the report. I publish the report the second or third week of the month. Also, I want to congratulate the POA on a couple of events that were held in the last three or four weeks. Both events were very well attended. There was a very good response at Phase 1 as well for Memorial Day weekend. The CDD, in conjunction with the POA, is trying to generate some program related activities. There is potential camp as well as Junior Lifeguard program and swim lessons. We are trying to kick that up a notch as we go forth.

Ms. Drinkwater asked how has it been going with the pool monitoring in Phase 1

Mr. Usina responded it is too early to tell. There was an onslaught Monday and Tuesday from South Hampton. It got a little crazy. The resident parents took on some of these kids themselves. They were unruly. We had to send some of them home. A bunch of them tried to come in over the fence. It was hectic. I think if we establish ourselves early on, they were watching it, you are not going to get in, and if you do get in you are not going to be there very long. I think it will subside, but this week has been pretty intense.

**THIRTEENTH ORDER OF BUSINESS      Supervisor's Requests/Audience Comments**

Mr. Hill stated thank you for the suggestion that we reconvene, Dianne.

**FOURTEENTH ORDER OF BUSINESS      Financial Reports**

**A. Balance Sheet and Income Statement**

Mr. Oliver stated in your agenda packet are the financials ending April 30<sup>th</sup>. These will be audited at the end of year. No unusual appearances.

**B. Check Register**

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

On MOTION by Ms. Little seconded by Mr. Hill with all in favor the check register was approved.

**C. Assessment Receipt Schedule**

Mr. Oliver stated the assessment receipt schedule shows the District is 100% collected.

**FIFTEENTH ORDER OF BUSINESS      Next Scheduled Meeting, Wednesday, July 9, 2014 at 6:00 p.m. as a continuation of this meeting. Location is Phase II Brandy Creek Amenity Center, 251 Huffner Hill Circle, St. Augustine, Florida 32092**

Ms. Drinkwater stated we will review the facility and amenities position and whether or not we change that structure, and we will discuss the storm management at this time.

**SIXTEENTH ORDER OF BUSINESS      Continuation**

On MOTION by Mr. Hill seconded by Ms. Little with all in favor the Meeting will be continued on July 9, 2014.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman

