

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 Tuesday, August 12, 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:

Gary Williams	Chairman
Dianne Drinkwater	Vice Chairperson (by phone)
Barbara Little	Supervisor
Jason Hill	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Mike Usina	Facility Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Williams called the meeting to order at 6:05 p.m.

SECOND ORDER OF BUSINESS

Public Comment

There being none the next item followed

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver stated there is an affidavit of publication in the agenda package to show we noticed the public hearing being held tonight. Notice was published July 15 and July 22 in the St. Augustine Record. Mailed notice was sent to all landowners.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the June 11, 2014 Meeting

Mr. Williams stated with no changes, is there a motion to approve the June 11, 2014 minutes?

On MOTION by Mr. Hill seconded by Ms. Little with all in favor that the minutes of the June 11, 2014 meeting were approved.

FIFTH ORDER OF BUSINESS

**Approval of the Minutes of the June 11, 2014
Audit Committee Meeting**

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor that the minutes of the June 11, 2014 Audit Committee meeting were approved.

SIXTH ORDER OF BUSINESS

**Approval of the Minutes of the July 9, 2014
Continued Meeting**

On MOTION by Mr. Williams seconded by Ms. Little with all in favor that the minutes of the July 9, 2014 continued meeting were approved.

SEVENTH ORDER OF BUSINESS

**Introduction of Amenity Services Groups/
Vesta and Overview of Transition Plan**

Mr. Dan Fagen with Vesta addressed the board regarding the transition to Vesta for management of on-site operations and amenity staffing/event coordination effective September 15, 2014. He introduced Dana Boggs who will be coordinating amenities administration and special events and will be the primary point of contact. The new Operations Manager has not yet been selected. They will be starting out with five 4-hour days, but are flexible. He also introduced Jackie Krabill who will be working alongside Dana Boggs.

EIGHTH ORDER OF BUSINESS

**Consideration of Grau and Associates
Engagement Letter for FY14 Audit Services**

Mr. Oliver stated at the June 11th meeting, the Board approved the audit committee's ranking of auditors and selected Grau and Associates. Grau provided an engagement letter for \$3,400. That is within our projected budget of \$3,500 and is in accordance with the proposal. We are looking for a motion to approve the engagement letter subject to review by counsel.

On MOTION by Mr. Hill seconded by Ms. Little with all in favor that the engagement letter from Grau & Associates for FY14 audit services in the amount of \$3,400 was approved.

NINTH ORDER OF BUSINESS

Public hearing Adopting the Budget for Fiscal Year 2015

Mr. Oliver stated in June of each year, the board approves a proposed budget, and that is provided to St. Johns County by June 15, in accordance with Florida statutes to St. John's County by June 15. Over the next 60 days before the public hearing we refine that budget. We revised the budget based on the decisions made at the July continued meeting. I would like to give an overview of the budget. The General Fund budget is for operating and maintaining the District. There is no change in total maintenance assessments; it remains steady at \$586,000. The assessments per unit stayed the same at \$1,069. You will not see any changes in Administrative from what was approved. Under Facility Administration and Management, there was a budget of \$54,000. That will now be zeroed out. There won't be a budget line item. We have two separate line items for events coordinator and operations manager. Facility Administration and Events Coordinator is at \$25,740 as contracted, and the Field Operations Manager is \$29,160. That is in accordance with the agreement that you approved at the last meeting. We have distributed some of the more significant items out of General Facility Maintenance to other line items within the budget. For instance, Landscape Contingency last year was at \$10,000, and we are increasing that to \$15,000 for projects such as mulch spreading, tree removal and different landscaping repairs or improvements.

Mr. Oliver stated there are quite a few sign repairs as the community ages. We have broken out \$4,000 from General Facility Maintenance there. You can see the reduction in General Facility Maintenance a few line items down. You have a new website, which wasn't budgeted for last year, and we added that line item this year. In Capital Reserve, there is a significant increase in the contribution. Last year it was \$40,250 budgeted, and this year we are budgeting \$62,000. That is in accordance with the Capital Reserve Study. You can move funds among these line items. You can do that without having a budget amendment if it is less than 10%. You also have the opportunity to amend this budget or revise the budget after adoption. Beginning on Page 10 you will see the Debt Service Fund for the Series 2013A bonds. These

were previously the Series 2003 bonds before the refinance. This accounts for the two semi-annual interest payments made in November and May and the principal payment made on May 1. Assessments stayed the same as they were last year. That is for the 399 units at \$855. There are 400 units in Phase 1, but one owner paid off their debt. The amortization schedule is on the next page and shows the bonds expire in 2033. Page 12 shows the Debt Service Fund for the Series 2006A bonds. There are two semi-annual interest payments and a principal payment. The cost is \$1,070 per unit for 183 units. The amortization schedule is on the next page. Capital Reserve begins Page 14. You have a Capital Reserve contribution that flows from the General Fund into this Capital Reserve Fund, and that is shown in the Revenues in the far right second line item, transfer in of \$62,000. Page 15 shows what it will look like that you will have in your fund at the end of the year. You will have approximately \$278,000. Some of those funds will be used for first quarter operations as we wait for the tax assessments to roll in, and the rest you will have available to move into Capital Reserve if you wish to do that. That is the overview of the budget.

Mr. Williams asked how is the Capital Reserve invested?

Mr. Oliver responded Governmental Securities.

Mr. Dicey, an audience member, stated on Page 1, Discounts and Collections at 6%, is that based on paying your taxes early?

Mr. Oliver responded yes, 4% is for early payment by November 30 and 2% is a collection fee by St. John's County.

Mr. Dicey asked where did the funding come from for the website service paid for this year?

Mr. Oliver responded it came out of Facility Administration, and now we have broken it out as a separate line item.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor the Public Hearing is Open.

An audience member stated my question is regarding revenues. We have added 70 or 80 houses in the last year, and we are bringing in less this year. Why?

Mr. Oliver responded all 583 units have been paying assessments the whole time.

Mr. Williams stated part of the reason this year's revenue is up a little bit I think is rentals. We have more in rental income from using the facilities than we anticipated. I think for next year it is going down because we didn't budget the same monthly receipt issue.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor the Public Hearing is Closed.

A. Consideration of Resolution 2014-04 Relating to Annual Appropriations and Adopting Budget

Mr. Walters stated the first resolution is to approve the budget, and the second is to levy the assessment. The blanks on the second page will be filled in with the numbers that has been presented in the budget. Those are left blank because they are subject to change. There are provisions for amending the budget. We will complete those numbers and fill them in. If we have changes we need to make at the end of the year, we do that per resolutions as well.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor Resolution 2014-04 adopting the annual budget was approved.

B. Consideration of Resolution 2014-05 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Walters stated this is the resolution that will levy the operation maintenance assessment to fund out budget for the upcoming fiscal year.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor Resolution 2014-05 imposing special assessments and certifying an assessment roll was approved.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Mr. Walters stated I don't have any action items for the board this month. A few meetings ago we were approached by the owner of the commercial parcel outside of the District who is going to construct the veterinary facility. I have had correspondence with him and sent the agreement to him. He has been busy with a lot of other things but is looking at where to send the check. That is an ongoing process.

B. Engineer – Consideration of 2014 Consulting Engineer's Report

Mr. Oliver stated there is an engineer's report in the agenda packet. Each year, in accordance with the bond indenture, the engineer has to do an inspection of the facilities and certify they are in good shape. He does have a report that covers these items and stated they are in generally good condition and well maintained.

On MOTION by Mr. Williams seconded by Mr. Hill with all in favor to accept the consulting engineer's report regarding condition and maintenance of District facilities was approved.

C. Manager – Proposed FY15 Meeting Schedule

Mr. Oliver stated the proposed schedule is every other month, the second Wednesday at 6:00 p.m.

On MOTION by Mr. Hill seconded by Ms. Little with all in favor the proposed meeting schedule for FY15 was approved.

D. Facilities Manager

Mr. Usina stated last summer four areas on John's Creek Parkway were cleared out of all the underbrush which opened up areas needed to be treated. We negotiated with the State of Florida for free mulch and have bought in mulching and spread it out. In spite of that, there has been re-growth. I was asked to bring it to the meeting as to how the community may want to consider maintaining that going forward. Mulch is doing some of it, but it is not controlling all

the re-growth. The most effective way would be spot treatment of herbicide that would control growth of weeds, palmettos, and certain shrubs. Also recommended was a herbicide treatment around the exterior of the common area so we have some kind of protection for the Bermuda grass. It might be able to be done semi-annually, but it would remain to be seen.

Mr. Williams asked if there would be an extra expense and what would it be.

Mr. Usina responded I don't have a formal proposal for that.

Mr. Williams stated so the question on the table is do we want to maintain the four common areas where the underbrush was cleared along Johns Creek Parkway.

Ms. Drinkwater stated my recommendation is to let it go natural and cut it back every two years.

Mr. Williams stated Jason and Barbara were both in support of doing some sort of maintenance, and the maintenance would probably be a periodic herbicide that Austin would apply. We don't have a quote for that yet, but Mike could get that. I am going to open it up to the public. Would you like to see those semi-maintained or let it go back?

An audience member stated I would like to see it maintained, and there was more discussion among the audience members.

Mr. Williams stated based on the feedback, Mike would you get a quote from Austin about what it would cost per application. We won't know whether it is quarterly or twice a year or whatever. We can decide that at our next meeting.

Mr. Usina stated I am working on a couple of exterior lighting proposals. I am struggling to get any electricians to give us a quote. I am continuing the effort. I am a proposal on the sign package for the fitness trail. I will get two more. It has been tough to get proposals because everybody is very busy.

Mr. Williams stated that would be an expense outside of anything we have already got budgeted. The one proposal we did get is for about \$1,400 plus tax.

Mr. Usina stated I have nothing else.

Mr. Williams stated to Mr. Usina that there is one thing I would like for you to do. The acoustics aren't working, so let's get a bid for more of these padded things on the other two walls, and let's find some banners we can hang from the top. I don't have the contact for the banners, but if you need somebody for approval, I will do that.

Ms. Drinkwater stated I agree, and there is one other thing. I don't know if we are set up for that but to have a landline for a phone in that location.

Mr. Williams responded the phone wasn't charged. We have a landline in here. Another thing is this is our last CDD meeting that Mike is at because he will rotate off in September, and our next CDD meeting won't be until October. I want to recognize Mike for the time he has been here. He came to us initially as an interim fill, and we decided to fill the position so Mike was hired. I think Mike has done a nice job seeing us through the Phase 1 bonds that we finally resolved. I think that was a big effort on all our parts, and that took us a couple of years to get through. I want to publicly acknowledge Mike and say thank you.

Ms. Drinkwater stated I would also like to thank Mike. He has done a fabulous job for our community, and I appreciate it. I wanted to bring up to once again put a tickler in Austin Outdoors with regard to cleaning out once a week a couple of the storm drains. Also the model homes signs need to be cleaned of algae.

Mr. Williams stated we could get rid of the signs. Are there any concerns with taking the signs down?

The board members responded no.

Mr. Williams asked Mr. Usina to get rid of the model home signs and have the area return to grass. Austin can relocate the plants somewhere by the new facility shed.

TWELTH ORDER OF BUSINESS

Supervisor's Requests/Audience Comments

There were no supervisor requests.

An audience member asked is there a traffic calming study update?

Mr. Usina stated there will be an e-blast that will go out this week. The preliminary meeting for the traffic calming study is Wednesday, August 20th. It will be here at 6:00. The CDD board and interested residents are invited to attend the meeting. We will hear any specific traffic or speeding safety concerns as of that time. We will also discuss the six proposed traffic, speed, volume stations that will be installed in the community. They will be installed on December 8th for the data collection that will occur from the 9th to the 11th. The e-mail blast will have all the details in it. I will also put it on the sign and post it on the website.

Mr. Oliver stated I wanted to point out this is not a CDD meeting, however, we will publish a notice in the *St. Augustine Record* announcing this meeting that two or more supervisors may attend. It is an informal meeting.

Mr. Taylor asked about event funding. Are the POAs going to be asked to contribute to those or not?

Mr. Williams responded I am not familiar with the POA budgets, so I don't know how much, if any, either POA has budgeted for events. I know in our CDD budget we have an amount that we allocate for use by the POA. None of that budget changes. My understand when this concept was presented to the board was that the entertainment committee, some of the events that they may recommend may involve charging a fee if people attend. That is extent of my knowledge on finance impact.

Mr. Williams stated I think that is where our new vendor is going to have work with the POAs and figure that out. In my view, the CDD simply facilitated the method to have an entertainment committee for the communities, and there is some level of funding we have in the budget that comes out of the CDD fees. Funding beyond that is going to be up to participants, and that could be through the POA, or it could be through fees assessed for each event.

Mr. Walters stated we can't force the POA to contribute funds. We have our budget, and we have set aside funds for that. There may be alternative revenue sources, but that will be between our vendor and the POA.

Mr. Williams stated so basically a vendor is going to have to figure out how it is going to get paid if it wants to an event. We have some budget in the CDD, and anything above that is going to have to come from either a fee for the event or the POAs.

Ms. Drinkwater stated Gary, I agree with your assessment and summary of your understanding of it.

Mr. Dicey stated the Phase 1 POA signed an agreement with the *Times Union* for the *Living Magazine*, and does that transfer over to the social director through the CDD.

Mr. Williams stated I don't know the answer to that. I think that is something the vendor works through with the POA.

Ms. Drinkwater stated I agree.

Mr. Williams stated I think we should have is one of the POA representatives should work with the vendor and figure that out. There is no expense. It is just the administration of it. I think if the POA wants to work with the social community person to figure out who is going to manage that, I think that is fine.

Mr. Taylor state the main thing I wanted to know is next week we will start our draft budget, and we want to know how it is going to work because in the past it has always been you budgeted for special events, and we did too, and it all went into one pot. We are perfectly happy to do that.

Mr. Oliver stated I think the model is the same, it is just now we have an events coordinator position even though it is funded by the District, it is still for the community. I think the same model is still a good idea the same teamwork we've always had.

Mr. Williams stated if the POA wants to spend more money on entertainment they can, it is up to the POA. The intent isn't to have two different groups provide entertainment. The intent is to have one person. The CDD is going to fund that. How much that person can spend on events is going to be up to how much the CDD contributes, how much the POAs contribute, and how much residents would contribute on a per-event basis. So budget what you want to budget and then coordinate with the vendor to do the planning for the events.

An audience member asked about the newsletter. Is that Phase 1 newsletter or is it going to include Phase 2 also, and can you have it on the website.

Mr. Fagen stated it is going to be delivered to your driveway on Saturday. The *Times Union* will deliver it to all the residents.

The audience member asked is it possible to put it on the website?

Mr. Oliver responded if we can do it with the technology we have and the publisher allows, we will.

An audience member spoke about yoga classes. We have a friend who teaches yoga, and informally we have been using the basketball court in early mornings. I have talked with Mike about it to see what the requirements are to start a free yoga class for this community.

Mr. Williams responded I think in general, the precedent that we set is that these facilities are for the use of the community, so based on scheduling, we make it available to whomever. I think the only limitations we have is if there was a fee involved or something.

Mr. Walters stated I thought we had another class, Zumba. The only additional thing we put on that was we wanted to make sure if someone was putting on formalized classes they were a certified person who had insurance.

Mr. Williams stated do we need an agreement?

Mr. Walters responded we had an agreement with the Zumba person, and that is for the simple reason of providing insurance indemnification, but that was it.

Mr. Williams stated so what is required is if it is an instructional type of thing, there has got to be some level of liability insurance in case somebody gets hurt. So that would be the requirement. There would be no fee associated with it. It would just be scheduling for now with Mike and eventually with our property manager.

The audience member stated my other question is regarding Phase 2. We talked about this at another CDD meeting. We have an issue with the Internet service. The last time we brought it up it was really good. I think it was bumped up to 6 megabits. It is good, but the problem is with kids being at home, it is difficult to stream anything with 6 megabits. I understand AT&T does have any plans to bring U-verse here. We have only one option, just AT&T. Can we bring in another vendor that will give us a second option?

Mr. Oliver stated the District doesn't really have any impact on this. What we will do is get with the POA for Phase 2, it is the same management company as for Phase 1, and have them reach out to some of these other companies like Comcast and see if they are willing to come in here and do something like they have done at St. John's Golf and Country Club recently. That is all I can do, and I will make that contact tomorrow.

Mr. Williams stated I don't want to sound negative, but I have been on this board for eight years almost, and especially once Phase 2 started being built, it was an issue. We have no control over this at all. It is up to AT&T or Comcast or Lightstream. In the past, what those companies have told is that unless there is 40% or 50% of the residents that are willing to commit to signing up for Comcast, for example, they won't come in here and dig trenches. They have got the right-of-way to come do it, but they have to make the investment in the cable. It is not a District investment. We can't do anything about it. If you guys want to work as a neighborhood and get 50% people that are willing to commit for whatever and then work with

AT&T, you can. Jim said he was going to reach out through the property manager and try to reach out to some of the companies, so that might be an option as well.

The audience member asked do we need to get signatures, or what do we need to do?

Mr. Oliver responded I think the first thing we should do is let me get in touch with the POA manager and see if she has had any contact with Comcast for other communities that are having cable added, and see if she can leverage those to help with Phase 2.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet and Income Statement

Mr. Oliver stated in your agenda packet are the financials through the end of June. These are unaudited. They will be audited at the end of the fiscal year.

B. 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 the assessment receipt schedule is fully collected.

FOURTEENTH ORDER OF BUSINESS Next Scheduled Meeting, Wednesday, October 8, 2014 at 6:00 p.m. at Phase 2 Brandy Creek Amenity Center, 251 Huffner Hill Circle, St. Augustine, Florida 32092


Mr. Oliver stated the next meeting is Wednesday, October 8, 2014 at 6:00 p.m. at this location.

FIFTEENTH 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