

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, February 10, 2016 at 6:30 p.m. at the Johns 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
Meredith Payne	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Dave Krabill	Vesta / Amenity Services Group
Kathy Sargent	Vesta / Amenity Services Group
Dan Fagen	Vesta / Amenity Services Group

*The following is a summary of the minutes and actions taken at the February 10, 2016 regular meeting. A copy of the proceedings can be obtained by contacting the District Manager.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Williams called the meeting to order at 6:30 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 January 13, 2016 Meeting**

Ms. Little asked if some action items could be kept on the minutes. Last month I requested Dave's monthly report be in a different format, such as two sections, showing items that he accomplished and items performed by vendors.

Mr. Oliver responded that can be done. We will also share meeting notes with the board, which includes the action items assigned to staff members.

On MOTION by Ms. Drinkwater seconded by Ms. Little with all in favor the minutes of the January 13, 2016 meeting were approved.

#### **FOURTH ORDER OF BUSINESS**

#### **Acceptance of the Draft Fiscal Year 2015 Audit Report**

Mr. Oliver stated a copy of the audit report is located in the agenda package. It is required for all forms of government within the state of Florida, and it is performed annually by an independent auditor that is selected by the board through the RFP process. It is a clean audit. Look inside the front cover, and you will see the Table of Contents. The next page is the auditor's opinion letter. The last paragraph on the first page states, "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, 2015. These are in accordance with the accepted accounting principles generally accepted in the United States of America." Over the next several pages you will see management discussion and analysis followed by the year-end roll up financial statements. Followed by that are notes to the financial statement. The notes are largely the same notes you see in the past. Turn to Page 21, Note 12, Subsequent Events. These are things that happen after the end of the audit year but still are relevant to the audit. There are two notes, and one is Deferred Costs that says, "Subsequent to the fiscal year end, the District and the Developer entered into an acknowledgement or lease whereby the Developer acknowledged the total amount of the deferred costs equals \$13,969." That was paid to the Developer, and he acknowledged that and released the District. The next note is Bond Refunding, and it states, "Subsequent to fiscal year end, the District issued \$2.5 million in Special Assessment Refunding Bonds, Series 2015, to refund Series 2006A bonds." They are essentially issuing those bonds at a lower interest rate. If you go to Page 24, you will see the Independent Auditor's Report on Internal Controls. The third paragraph of the middle section states, "During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses." Going to Page 27, there is a management letter that is sent to the Auditor General in the state of Florida that is required by statute. The auditor is required

to do three things – review the current year finding and recommendations, the prior year findings and recommendations, and then go through a list of compliance items that are required by the Auditor General. In Section 1 there are no findings this year or recommendations. Prior year findings and recommendations are none. Item three has all negative responses, i.e., good responses. The most important is Item #6. "The District has not met one or more of the financial emergency conditions described in Section 218.503(1) of Florida statutes."

On MOTION by Ms. Drinkwater seconded by Mr. Williams with all in favor to accept the FY15 Audit Report was approved.

## **FIFTH ORDER OF BUSINESS**

### **Consideration of Proposals**

#### **A. Pool Monitor Services**

Some proposals are in the agenda package, one is from Elite Amenities and one from Vesta. The fee for Elite Amenities is \$25,848, and the fee for Vesta/ASG is \$27,609. Prices include upcoming Spring Break and the same level of coverage provided in prior years. Both firms bid using the same scope and both firms are qualified to provide the services. A third proposal was solicited from Riverside, but they declined to propose. The adopted budget for this item for FY16 is \$27,163.

Mr. Palimeri from Elite Amenities was present and answered questions from the board members. Their company has been here for seven years. He assured the board members there would be supervision of the pool monitors.

Mr. Payne has heard comments about the level of maturity of some of the monitors and the irresponsibility of taking care of what they are supposed to be doing. Mr. Palimeri responded when that is brought to the manager's attention, it is handled immediately. The average age of their monitors is over 25, and he does not see that being a problem. He feels that if something is happening with the pool monitors, and they are disregarding their duties, it would be noticed and heavily documented.

Mr. Fagen from Vesta spoke to the board regarding his proposal. He stated since we are on the ground here, we see issues first. One of the challenges is authority and accountability. Because we are here, it is assumed that the pool monitors are our staff, and it is perceived we are accountable for them. We can't manage Elite's staff. The benefit of having Vesta on board is the

ability to hold our staff accountable to problems that may arise. We feel we can provide some efficiencies that would better serve the community.

Ms. Drinkwater recommended staying with Elite Amenities if everyone is happy with their services.

Mr. Payne stated he would like to see more accountability from Elite if the Board goes forward with their services because of the comments he has heard about the immaturity of the monitors.

Mr. Williams asked Elite Amenities about their proposal including an aquatics supervisor and aquatics director, and that the aquatics supervisor would visit daily. Mr. Palimeri confirmed that a supervisor will be sent out daily to check on the monitors. Records are kept of all visits by the supervisor.

Mr. Williams recapped by saying Ms. Drinkwater and Ms. Little are satisfied with Elite Amenities, and he and Mr. Payne are "on the fence." Elite has been at the property for 7 years, and Mr. Williams is not aware of any major issues that could not be resolved at the staff level. He does not see a material reason to change vendors.

Ms. Little asked that when the supervisor visits daily, at least once a week have that person meet with the manager to see if there have been any issues the supervisor should be aware of. Mr. Palimeri responded yes to that request.

On MOTION by Ms. Drinkwater seconded by Mr. Williams with all in favor to accept the Elite Amenities proposal to provide pool monitor services in the amount of \$28,848 was approved.
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Counsel will prepare the agreement.

**B. Landscape Enhancements**

Mr. Krabill presented some proposals from Yellowstone located in the agenda package. One proposal in the amount of \$1,555.43 is for the island along Nature's Walk. Palmettos will be cut down (safety hazard), the area will be cleaned up, and three Coquina boulders will be added.

Ms. Drinkwater asked for clear descriptions on proposals of where items are located. This request is being made for reference purposes. She agreed that the Palmettos need to be removed and asked if mulch would be put down. Mr. Krabill stated that pine straw will be put

down after the trees are removed, and Mr. Williams asked that he clarify that the cost of the pine straw is included in the proposal price.

Ms. Little stated she feels some of the fees have been quite high and asked that other proposals be solicited for special jobs.

Mr. Payne stated the \$26,000 price for irrigation repairs, additions, and upgrade for parkway entrance area does not "pass muster," and he needs more specific details. He also questioned the safety hazard mentioned in the proposal.

An officer in attendance stated he has responded to three crashes at Nature's Walk, and two were serious bodily injury. He stated the Palmettos there are definitely an issue.

Mr. Payne stated he supported the first proposal in the amount of \$1,555.43 for cleaning up the island, and he supported the third proposal in the amount of \$550 for cutting down and disposing of three Palmetto trees. He would like to receive more details for the second proposal regarding the irrigation repairs.

Ms. Drinkwater supported the removal of the Palmetto trees and not replacing them.

<p>On MOTION by Mr. Williams seconded by Ms. Little with all in favor to accept the proposals from Yellowstone to clean up the entrance median island in the amount of \$1,555.43 and remove and dispose of three Palmetto trees in the amount of \$550 was approved.</p>
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No action was taken on the proposal in the amount of \$26,220 for irrigation repairs, additions, and upgrade for parkway entrance area for new sod coverage. A more detailed proposal is being requested.

There was discussion regarding a previous proposal in January for lifting oak tree canopy. Staff will re-engage arborist Chuck Lippi for onsite review to determine if canopy lifting is recommended and for his input and recommendations regarding the health of our trees and suggested actions. Vice Chair Drinkwater will be involved, and a detailed proposal will be obtained.

**C. Fitness Room Flooring**

Mr. Krabill brought samples of flooring for the fitness center. Three vendors presented proposals – Mikes Flooring, Tim's Floor Covering Inc., and House of Floors. All three proposals do include disposing of the existing carpet, moving the equipment, and putting the equipment

back in place. Mr. Krabill recommended using House of Floors for \$4,957. The fitness center will be shut down for two days.

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor to accept the proposals from House of Floors for installation of fitness room floor in the amount of \$4,957 was approved.

Supervisor Little will work with staff to selected flooring color.

**D. Fabrication for Grill and Playground Equipment**

Mr. Oliver stated this has already been handled by staff because it is within staff's cost limits.

**SIXTH ORDER OF BUSINESS**

**Discussion of Phase 2 Capital Improvements**

Mr. Oliver provided an update to the board. The bonds were refinanced in 2015, and immediately upon the refunding the District has construction funds of \$77,471. The balance is now \$16,197 because of the landscape improvements made in Phase 2. The second portion of the money will come in with the assessments in the amount of \$87,659. There is approximately \$100,000 available for Phase 2 improvements. Mr. Payne is working to create a survey to find out what residents want. He has met with the Phase 2 POA board members. Items to be considered should fall within the broad scope of the Engineer's Report, which includes landscape irrigation, landscape installation, security and access control equipment, amenity center furniture and fixtures, amenity center fitness equipment, and trash enclosure.

**SEVENTH ORDER OF BUSINESS**

**Review of Capital Reserve Study**

Mr. Oliver stated a copy of the 2014 Capital Reserve Study is on the website and is located in the agenda package. At the end of FY15, the District had a target balance of \$184,263. The balance as of today is \$369,628. The study is just a forecast. Certain items may not need to be addressed at the projected time, or items may have to be addressed earlier than what was projected.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters distributed the latest issue of *Capitol Conversations*. A number of bills are working their way through committees. HB745 and SB516 relate to the websites. They propose requiring drastically enhanced requirements that will be extraordinarily expensive to the Districts. The hope is that CDDs will be exempt from the bill, the bill will be watered down, or the bill won't make it.

**B. Engineer**

There was no report.

**C. Manager**

Mr. Oliver had no report.

**D. Operations Manager**

Mr. Krabill's report is located in the agenda package. Commercial Fitness has started the preventative maintenance program. St. John's road department fixed a storm drain where the road was caving in from a leak. Mr. Krabill will look into getting seal coating in the Phase 1 parking lot. It was supposed to be done in 2013.

Ms. Little expressed her concern about people trying to access the fitness who don't have their access cards, and residents are letting them in. Steps will be taken to put up signage discouraging that activity.

**E. Amenity Manager**

Ms. Sargent presented her report located in the agenda package. Regarding WiFi for Phase 2, she has been talking with Florida High Speed Internet, but they are not sending her the information she needs regarding speed to justify spending \$45 a month with them. Bellsouth can give an additional router to go up to 12 MB, and that will cost \$128.95 a month. Ms. Sargent stated she would like the March outing to be "painting with a twist," where residents would come and set up easels to paint, and it would also be wine related. She is asking if residents could bring their own beverage. Food would be provided as part of the ticket price. Mr. Walters stated

the insurance carrier should be contacted to make sure the District is covered that type event. A Host Liquor Liability policy may have to be obtained. No motion needs to be made, and Ms. Sargent was told she could do that event.

Ms. Sargent stated one item that has come up since the report was submitted was that an elliptical machine needs a new console. The machine is just under 4.5 years old and is out of warranty. The cost to buy a new console is approximately \$1,000, and the cost to rebuild the console would cost \$630. The machine is not in good shape. The cost for a new elliptical would be approximately \$4,000. Since the machine is so old and repair costs are so high, the board felt purchasing a new machine would be appropriate.

On MOTION by Mr. Payne seconded by Ms. Little with all in favor to purchase an elliptical machine with a NTE cost of \$5,000 was approved.

The Chairman was authorized to review 3 proposals with staff and approve the selection.

## **TENTH ORDER OF BUSINESS**

## **Supervisor's Requests/Audience Comments**

### **Supervisor's Requests**

Ms. Drinkwater asked for the board to consider ways to prevent people from driving through the community or if this can be done since public roads are in use.

Mr. Oliver stated some communities have improvements within their gates that are not funded with tax-exempt bonds, which means everything inside the gate can be private. They can have "hard gates" to keep people out of the community. Improvements that are paid for with CDD bonds cannot be private. Some communities have "soft gates," where the roads within those gates were funded with CDD bonds. This means any member of the public can go there and not be denied entry. The gatehouse would have to be staffed just to open and close gates. Creating soft gates is an expensive process because of construction and staffing.

### **Audience Comments**

Mr. Joe Taylor asked would the board look into giving the residents or a vendor a spot to erect a tower for high speed Internet. Could a spot in the common area or on preserve property be available to erect the tower?



Mr. Williams responded he doesn't think it could be done on preserve property, and it would have to depend on the expense. Another consideration is the Lightstream contract and if erecting a tower and dish would conflict with that contract. Board members are open to hearing options for this possibility.

Mr. Oliver will seek a contact with AT&T and provide that information to Joe Taylor for the purpose of discussing Internet upgrades in Phase 2. That information will also be provided to the POA manager.

**ELEVENTH ORDER OF BUSINESS                      Financial Reports**

**A. Balance Sheet and Income Statement**

Mr. Oliver stated this information is as of December 31, 2015, and there are no unusual variances.

**B. Check Register**

Mr. Oliver stated behind Tab B is the check register.

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

**C. Assessment Receipt Schedule**

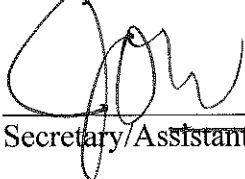
Mr. Oliver stated you are 95% collected.

**TWELFTH ORDER OF BUSINESS                      Next Scheduled Meeting, March 9, 2016 at 6:30 p.m. at Phase 2 Amenity Center.**

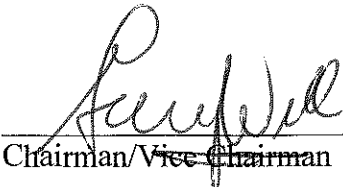
Mr. Williams stated our next scheduled meeting is March 9, 2016 at 6:30 p.m.

**THIRTEENTH ORDER OF BUSINESS                      Adjournment**

On MOTION by Mr. Williams seconded by Mr. Payne with all in favor the meeting is Adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman