

# MINUTES OF MEETING

## BRIGHTON LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Brighton Lakes Community Development District was held Thursday, November 5, 2015, at 6:00 p.m. at the Brighton Lakes Recreation Center, 4250 Brighton Lakes Boulevard, Kissimmee, Florida.

Present and constituting a quorum were:

Michelle Incandela	Chairman
John Mastromarino	Vice Chairman
Jennifer Palmer	Assistant Secretary
John McGrath	Assistant Secretary
Dolores Pieters	Assistant Secretary

Also present were:

Gary L. Moyer	District Manager
Tucker Mackie	Attorney
Robbie Cox	MBS Capital
Paul McCartan	Keep Safe Security
Tom Murphy	Girard Environmental
Brian Smith	Severn Trent Services
Residents and members of the public	

*This represents the context and summary of the meeting.*

### FIRST ORDER OF BUSINESS

### Pledge of Allegiance

Mr. McGrath led the *Pledge of Allegiance*.

### SECOND ORDER OF BUSINESS

### Roll Call

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

Mr. Moyer called the roll, indicating a quorum was present for the meeting.

### THIRD ORDER OF BUSINESS

### Approval of the Minutes of the September 3, 2015, Meeting

Mr. Moyer reviewed the minutes and requested corrections, additions, or deletions.

On MOTION by Mr. McGrath, seconded by Ms. Pieters, with all in favor, unanimous approval was given to the minutes of the September 3, 2015, meeting.
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### FOURTH ORDER OF BUSINESS

### Audience Comments

Mr. Gerry Frawley stated exiting Brighton Lakes Boulevard, the upright in the first palm tree on the right is destroyed. In the last month, we had two gates damaged, both at the end of Kariba Court. Have we identified the individual who caused the damage?

Mr. McGrath responded I will address that later.

Mr. Frawley stated we pay a flat fee of \$4,000 per month to keep the street lights on. Why do we pay someone turn them on?

Mr. Smith stated if you call Kissimmee Utility Authority (KUA), they are not going to come out.

Mr. Mastromarino asked are you talking about lights that blow out and then we call KUA?

Mr. Frawley responded yes. When you go onto their website, it asks you if the light is out all the time or intermittent. There are two street lights in front of this building that were called into KUA, but when we came out of the HOA meeting last night, one was fixed but the other was not. There are some on Brighton Lakes Boulevard that have two lights on one pole. At Kariba and Volta in the middle of the median, one side has been out for six months. I am seeing how long it will take KUA to repair it. Apparently, they will let it remain out forever, we will just keep paying our \$4,000 a month, and they will not do anything about it. I think they should be doing something about it.

Mr. Moyer stated we can certainly call KUA, but as Mr. Smith said, they are going to say that they do not come out to monitor street lights. They rely on residents to call in that information.

Mr. Frawley stated we pay for this service.

Mr. Smith stated I understand. We can ask them, and if they do not come out, I can have someone come out.

Mr. Frawley stated I am bringing this to the attention of the Board. You can make a decision on whatever you want to do. I am tired of having to pay.

Mr. Mastromarino stated it is a safety issue. To be honest with you, I did not even think that we had lights at Kariba and Volta. It is an issue, particularly if there is no moon out. It is pitch black.

Mr. Frawley stated that is a three-way intersection, and people drive like idiots up and down Brighton Lakes Boulevard.

Mr. Mastromarino stated just to reiterate what Mr. Frawley mentioned, we pay someone \$4,000 a month for electric.

Mr. Smith stated correct.

Mr. Moyer stated and the amortization of the pole.

Mr. Mastromarino stated I just want to be clear on that.

Mr. Smith stated it is all metered.

Mr. Frawley stated they do not charge us to come out and fix them because these are their poles and their equipment. I get the idea that we just are at their mercy, and they keep sending us a bill every month for \$4,000. We can have no lights on, but we keep paying them \$4,000 per month.

Mr. McCartan stated we patrol the community and report lights that are out. Security guards take down the number of the pole and call KUA. Then we receive a call from KUA saying that the pole has been reported. I also receive a follow-up phone call saying that the light was repaired. For all utilities, it seems that the onus is on a resident or responsible person to make the call.

Mr. McGrath stated there are 750 homes, and yet historically, I am sure that Mr. Frawley has made 90% of all the calls just because he cares. The surprising thing is that people will wonder when they are going to fix that light without calling themselves. If staff repairs the lights for free, I am all for it. If not, we will just continue the way we are going.

Mr. Mastromarino stated I am looking at the bulletin board, and there is a flyer saying to call KUA for street lights.

Mr. McCartan stated perhaps this is something that you can put on your website.

Mr. Mastromarino stated that is a great idea.

Mr. Frawley stated we will put it on the HOA website. All of the trees on Brighton Lakes Boulevard at one point had drippers on the bottom of them. Do those drippers serve a function?

Mr. Smith responded not necessarily. I am not sure. I have to check.

Mr. Murphy stated they were disconnected.

Mr. Frawley asked where were they disconnected, at the end where they would have dripped, or would they have somehow dug up the ground and sealed them off at some point, or are they separate lines?

Mr. Smith responded they would have disconnected it at the point of connection and capped it. You still have the zone in the ground.

Mr. Frawley stated as I walk up and down Brighton Lakes Boulevard every day, I look at them, and broken plastic pipes are sticking up out of them. I am never there when the sprinklers are on, and maybe that is contributing to our sprinklers not working. There are new shrubs on Brighton Lakes Boulevard. You discussed doing this several months ago, and it was a great idea. I always hated the fact that we broke up the wall with

something that never filled in. However, if you look at them, a lot of them are almost dead or dead. Do we have a warranty on those shrubs?

Mr. Smith responded yes. Mr. Murphy is aware of this.

Mr. Frawley stated the shrubs at the front end, close to the stop light, were trimmed. When will the rest be trimmed? It looks ragged.

Mr. Smith responded the trees were pruned all the way back to Sweetspire.

Mr. Frawley stated no. I am talking about the shrubs.

Mr. Smith stated our service was reduced. Generally, in October, we go from service every week to three services in a month as things go dormant. Now that we are in November, we are being serviced every two weeks. As long as it stays warm like this, everything will grow and will not go dormant. This is part of his next service.

Mr. Frawley stated the garbage can on the side of this building has a number but the recycling bin does not. I assume that these are relatively new ones that do not have numbers on them. They should have numbers so they do not get swapped out with someone else's.

Mr. Joe Klusko stated I live on Sevan Way. First of all, the security guard is always doing his job. Every time I am going in and out, he is always watching. Mr. McCartan, you have a good man. Secondly, I know I am here several times. We still have not resolved the crisis regarding the on-street parking.

Mr. McGrath stated it will be addressed tonight.

Mr. Klusko stated awhile back, I asked the community to try to find a way to have a multi-purpose court, but it cost too much. No one is using the bike ramps that everyone wanted. I asked for a horseshoe game for some of the old timers. It was called a liability because someone may get hurt by a horseshoe. If you walk across the basketball court, you can get hit by a basketball, which causes a liability. I am asking if there is somehow or some way that we can have a bocce ball court. You do not have to worry about the balls. We can have a bench or two. It does not cost much money. This is a way for people in the community to come together. Everyone can say that we have to decide this and that, and it is only going to be for November. We can see in six months what transpires.

Mr. Mastromarino asked do you have any idea of what the cost might be?

Mr. Klusko responded it is probably in the \$500 range. You will get a couple of people who are interested in playing. As people drive into the community, they will see



On MOTION by Mr. McGrath, seconded by Ms. Palmer, with all in favor, unanimous approval was given to accept the contract from Girard for landscape maintenance, in an amount not to exceed \$13,757, as discussed

Mr. Murphy stated we have cut back our mowing because of the amount of daylight. As a company, this year we had incorporated a few changes to provide better services and will continue to do so. At this time of year, we provide services every other week. Starting in November, we are mowing one week and will have the same crew the following week trimming the trees. You are actually receiving more services than the contract requires. Irrigation has always been an issue. We are planning to send out technicians once a week. We will irrigate the front half of the property one week and the second half of the property the following week. That will allow the technician to be able to monitor a portion of the property on a weekly basis, which hopefully will improve our irrigation issues. That is something that we have decided, as a company, to do. I spoke to Mr. Smith and Mr. Mastromarino about sod replacement. Our quantity is the same as it was at our last meeting. I do not see that number decreasing this time of year, especially because we are in the drought season. We have not had any noticeable rain for the past eight weeks. We received some rain last Wednesday. Our irrigation is struggling to keep up with it. We discussed at the last meeting about replacing the sod now. My recommendation would be to wait until spring because the new sod requires a lot of water. That will also give us more time to get the weeds under control. We walked the property this past week. There are a lot of weed areas that have viable St. Augustine underneath it. Our goal for the next three months is to eliminate weeds and allow the St. Augustine to recover. We are also applying soil conditioners on a monthly basis throughout some of these areas to hold the moisture in better, but there are some areas where the sod is not viable.

Mr. Mastromarino stated Mr. Murphy and I went over some specific areas where we were considering replacing sod, such as the median strip. The irrigation problem will be there forever, unless we change the connections to those berms. What Mr. Murphy and I also discovered is the possibility of groundcover. I have a working relationship with the County extension office in terms of what may be best for our area. I will provide a list of groundcovers to Mr. Smith so he can coordinate with Mr. Murphy. This is probably

something that we can hold off on until March. At the January meeting, we should have good information.

Ms. Palmer stated I spoke to Mr. Murphy about an area that needed attention. Did you instruct your crew?

Mr. Murphy responded it was completed.

Ms. Palmer stated part of the issue is that every company that we hired cut the area back to the sod. It was overgrown considerably to the sidewalk.

Mr. Murphy stated we cut it back an additional three feet. We would be happy to cut it back even farther.

Ms. Palmer asked where was the additional boundary line?

Mr. Smith responded they went from the slope and back. The slope was the original location.

Mr. McGrath stated there may be more than the location that we are thinking about.

Mr. Smith stated we had the same problem on Patrician Circle. We continually cut it back. We have some areas where a conservation area is encroaching. We have a tree encroaching from a conservation area. You need to monitor those areas. I have monies in the budget and will proceed with moving those conservation areas back. They are out of control.

Ms. Palmer asked was everything removed? When I followed up, the work was done, but there were grass clippings.

Mr. Murphy responded they were removed.

Mr. Mastromarino stated there is an oak tree on Brighton Lakes Boulevard that looks dead. Do you typically replace those and do we have a warranty?

Mr. Murphy responded yes. That tree was installed less than four weeks ago and has gone through a transition because of the weather. It is still viable. If it declines, we will replace it. We have a one-year warranty on trees, as long as we are maintaining it. The warranty on shrubs is 90 days. We are maintaining it, so it is our responsibility.

Ms. Palmer stated when I spoke with a member of your crew on October 15, they said that it was trimmed three weeks prior. The worst part was taken care of but was not completed. It continued towards Star Grass, and all the cuttings were left there. If anyone attempted to cut the grass, they would not have been able to.

Mr. Murphy stated I will talk to my crew.

Ms. Palmer stated I appreciate that.

A Resident stated asked how often do you have small piles of dirt that you are looking to dump someplace else?

Mr. Murphy responded seldom.

The Resident stated as you drive down Chapala and make a right and go down Brighton Lakes Boulevard, there used to be a tree on the corner. At one point, you threw some dirt in there. The dirt has now settled all the way down. If you walk across there in the dark, you can trip into it. It is right behind the stop sign between the sidewalk and Brighton Lakes Boulevard where it meets up with Chapala.

Mr. Murphy stated Mr. Smith and I will look at it. We will turn on the irrigation to see if there is a break.

The Resident stated thanks.

**B. Security – Keep Safe Security**

Mr. Smith stated Keep Safe Security's contract expires on November 12, 2015.

Mr. McCartan stated our contract was renewed in 2013, with a small price increase. It expires between September and October. Similarly, I feel comfortable recommending a revised proposal with a 2.5% hourly increase at the gatehouse from \$16.38 to \$16.79 per hour or \$1,646.15. We are also increasing the roving hourly rate from \$14.83 per hour to \$15.20 per hour or an annual increase of \$769.60. The total annual increase would be approximately \$2,400.

Mr. Mastromarino stated you mentioned that in 2013, we had a 24-month contract, but now this is an annual contract.

Mr. McCartan stated this is how it was handled in the past.

Mr. Mastromarino stated the increase over two years is approximately \$4,800.

Mr. Smith stated this is for a one-year renewal. When we bid it, we bid it as a two-year contract. However, we are now getting close to the bidding threshold if we renew the contract for two years.

Mr. Mastromarino stated I understand.

Mr. Smith stated with Mr. McCartan, as long as he is not increasing costs, we just roll it over unless we have an issue.

Mr. Mastromarino stated so the contract will expire next year.

Mr. McCartan stated I will come before the Board next year.

Mr. Smith asked what is the bidding threshold?

Mr. Moyer responded \$195,000.

Ms. Incandela asked what is the total amount of the renewal?

Mr. Smith responded \$98,000.

Ms. Palmer asked can we have an 18-month contract with a six-month renewal?

Mr. Smith responded it will be for one year. Next year, if he decides to increase it, we can always bid it out.

Mr. Mastromarino asked what is the maximum?

Ms. Mackie responded \$195,000. It used to fluctuate, but now it is fixed.

Ms. Palmer stated in order for us to have a two-year contract, we have to bid it out, and it has to come in under \$195,000. We had an understanding that if everything was working out fine, we would grant another year contract. We could not sign a two-year contract unless we bid it out.

Mr. Mastromarino stated next year, it would not require a bid because we are under the threshold. We will keep our fingers crossed that we never reach the threshold amount.

<p>On MOTION by Ms. Palmer, seconded by Ms. Pieters, with all in favor, unanimous approval was given to renew the contract from Keep Safe Security for security services for one year, in an amount not to exceed \$98,000, as discussed.</p>
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Mr. McGrath stated at yesterday's crime watch meeting, the deputy said that if there is a crime and the camera records the perpetrator, it would be four days before someone can retrieve the recording. Who do we call?

Mr. Smith responded the sheriff would call our office.

Mr. McGrath stated if a deputy comes in and sees your guys, are your guys able to download the data from the camera?

Mr. Smith responded we can download the recording from ACT.

Mr. McCartan stated our guys can provide the information to the sheriff on a CD. Many times, when a deputy comes into the community, the guards will contact Mr. Smith directly. If I was on duty at night and an incident happened and I needed to contact someone, I would ask the guard on the day shift to call Mr. Smith. My criticism is that it delays the process.

Mr. McGrath asked how long does it take to download the recording?

Mr. Smith responded with the DVR, five days. It depends on how much information is on the DVR. I will find out for you.

Mr. McGrath stated I would appreciate that. Then I can contact the deputy and give him the specifics. One of these days, maybe it will help in finding bad guys.

Mr. Mastromarino stated on October 25, 2015, there was a scuffle at the basketball court. I think one of your guys escorted someone off the property. Do you have any other information?

Mr. McCartan responded yes. This was reported at the crime watch meeting last night. I think the incident was between an older gentleman and a juvenile. When the guard arrived, it got heated. There was a lot of blaming. In a way to defuse the situation, the gentleman was escorted off the premises. Is it better to call the sheriff? Yes and no. It is far better for the victim to contact the sheriff. That way, we do not give erroneous information to the sheriff.

Mr. Mastromarino asked were the parties involved residents?

Mr. McCartan responded I believed that they were both residents. The only incident of note at the gatehouse was a delivery truck failing to stop and subsequently ripping the gate arm off. Between the last meeting and this meeting, we identified two or three families within the community that were abusing the card system. They were actively passing their card through the fence or between friends. I spoke to Mr. Smith and suggested that we make note of the people that we suspect so when they come in, we will make a note of when the card was last used.

Mr. Mastromarino stated on behalf of the Board, we appreciate the action that you took. Thank you.

Mr. Klusko stated I let the attendants know when I see something like this occurring.

## **SIXTH ORDER OF BUSINESS**

### **District Manager's Report**

#### **A. Motion to Assign Fund Balance**

Mr. Moyer stated in your agenda package is a balance sheet. As of September 30, 2015, we would end up having available an unassigned fund balance of \$243,000. This money would be available for the Board to allocate to roadway, if you want more money. We will watch that during the fiscal year, and if we want to assign some of that money, we will put it into the roadway reserve. I would ask the Board to approve what is recommended.

On MOTION by Mr. McGrath, seconded by Ms. Palmer, with all in favor, unanimous approval was given to assign fund balance, as recommended.

**B. Financial Statements**

Mr. Moyer reviewed the financial statements as contained in the agenda package, which are available for public review at the District office during normal business hours.

Mr. Moyer stated the financial statements are as of September 30, 2015, which was the close of our fiscal year. In terms of revenues, we collected \$8,208 in additional revenues, from primarily from residents not taking discounts. On the expenditure side, we were \$70,644 under budget. When you add the revenues and expenditures, we added \$78,052 to fund balance. Keep in mind that capital reserves were \$75,000. For all practical purposes, we brought the budget in as projected.

Mr. Mastromarino stated good job.

**C. Check Register and Invoices**

Mr. Moyer reviewed the check register as contained in the agenda package, which is available for public review at the District office during normal business hours.

Mr. Mastromarino stated for the month of August, we paid AT&T \$7,000.

Mr. McGrath stated on page 7, which are the notes of the financial statement, we are 253% over budget on gate repairs. Two months ago, we were 218% over budget. Two months before that, we were 178% over budget on the basis of broken gates. I would rather hope that, instead of me bringing it up, someone else would have said here is the information and ask what to do. Maybe we do not know what we are going to do. Today, I went to the Volta and Kariba gates. The one on Kariba has a sign but Volta does not. I think there is a possibility that people who want to go in do not know how to get in. So far, we have not provided them with any signage other than a sign saying, "To report a gate problem, please call the guardhouse." I recommend or suggest that we think about putting another two signs up in the community and see if that reduces the amount of damage we incur. I will leave it up to District staff. We should keep it simple but yet say how to get through the gate. If we do not want strangers to get through, then we are doing fine, but it appears that people are going to get out of their car, lift the gate, and drive through. Something is not working. We are spending more. I do not know if there is a quick-release gate that can be purchased. To reiterate, I request that we install proper signage. There used to be printing on the keypad but it faded. Hopefully, we will reduce

the amount of damage. Do we have any license numbers of the cars using our camera system?

Mr. Smith responded we went out there with ACT. I asked them if the damage was done by a person. I was told that the gates are old. I found out that camera 1 at Volta is on the control panel and records the person's face. Camera 2 is on a pole that gives an overview of the car. Camera 3 is the license plate camera. Because it is a specific type of camera, you can see the license plate at night. However, the cameras do not pick up someone walking by who does something to the gate.

Ms. Palmer stated I agree with Mr. McGrath. If we want to curb the amount of damage that we incur, we need to educate people on how to utilize the gate.

Mr. Smith stated I will look at the signage and a camera with night vision or additional lighting. In the meantime, I turned camera 2 towards the gate, and I am going to affix a light to a pole that shines down to the gate. The problem is that camera 2 is not going to view the car.

Ms. Palmer stated that is fine because if you see someone do this, you will have their license plate.

A Resident addressed a problem with their barcode.

Mr. Smith stated if you have a problem, call our office so we can get someone out there. Staff just went through the entire system and made sure that all names were current.

Ms. Palmer stated the resident is on the list but their barcode is not working. Can you get his information and make sure that his information is in the system?

Mr. Smith responded yes.

Mr. McGrath stated there is a sign on the keypad saying, "Find name on display by pressing..." You can reverse direction. What I think is happening is that new people live there.

Mr. Smith stated if new people are there, unless they contact us, their name will not be listed. I had the president of ACT out there two weeks ago, as well as Century Link, to address a problem seeing the cameras on the internet. Century Link believes that the problem is with the modem in the DVR. We removed the modem from the DVR and put in a new one, but we are still having the same problem. We are having problems at Volta, Kariba, and the guardhouse. I will make sure that we have the proper instructions at Volta and Kariba.

Ms. Palmer stated perhaps because we have so many new owners since the system was implemented, it is time to put up new instructions with the new phone numbers and distribute that information to the guardhouse.

Mr. Mastromarino stated those numbers need to be validated as good working numbers.

Ms. Palmer stated I think that is a good working plan.

Mr. Frawley stated I understand what you did with camera 2. Camera 1 has a pinhole. I can place something in that pinhole to destroy the camera. Camera 2 is way up on a pole. Camera 3 is at waist level. Camera 2 faces away from camera 3. Part of camera 2's purpose is to see the damage that is occurring to cameras 1 and 2. If you point it over to the gate, you will lose that capability.

Ms. Palmer stated maybe I am wrong but I think that the majority of people are going to maliciously damage the gates. They are going to see that the gate is not working and pull it up.

Mr. Frawley stated I just do not want you to be surprised at the next meeting if we find out that camera 3 has been smashed and we have no way to tell who damaged it because camera 2 was facing away from camera 3. I do not think we have any choice.

Ms. Palmer asked is the recent damage due to an existing problem or can you not tell?

Mr. Smith responded we cannot really tell.

Mr. Frawley stated it is an existing problem.

Mr. Smith stated there is a belt drive inside of the gate mechanism, and when the gate goes up and down, it either goes down lower and lower or it does not go up and people push it up. You have to adjust the entire mechanism, not just the belt. Most of our bills are for maintenance wear and tear. With what we spend for security purposes, the gates work, but you have to understand that there are very few gate companies, and they are all expensive. They charge what they charge. In every single community that we manage, I have similar problems, actually even worse problems. We put in the Envera gates at VillaSol. They need constant maintenance.

Ms. Palmer stated that is what we planned, and we should look at it at the next meeting.

Mr. Moyer stated I think you probably need to get real. I remember three years ago, we spent \$26,000 on the gates and discussed the same issues that we are discussing tonight. In the next year, for whatever reason, that amount went down to \$12,000 or

\$13,000. We figured that we resolved the problem, so we budgeted \$12,000 to \$13,000 for gate maintenance, and now the cost is back up to \$26,000.

Mr. Mastromarino asked is the configuration for Volta Circle the same as Kariba?

Mr. Smith responded no. Kariba has a similar setup, but I installed another camera to look down. There are four cameras at Volta and four at Kariba.

Mr. McGrath stated unfortunately, everyone coming in and going out of the community sees when the gate is not working. No one cares if it is fixed the next day, but everyone will notice it if it takes weeks or months to fix it. What is the system? Does the guard tell you?

Mr. Smith responded my guys are constantly out here, and his guys are out here quite a bit.

Ms. Palmer stated we appreciate that.

Mr. Smith stated my guys tell me when the gates are not working, and we receive calls from home owners. We rely on home owners to tell us.

Mr. Frawley asked do the security guards contact you?

Mr. Smith responded yes. They are supposed to look at all the cameras to make sure that they are all working, and before they leave, they are supposed to see that gates are where they are supposed to be.

Ms. Incandela stated the two guys that we see the most often is the lady guard and the young black man. Any time there are gate problems, they stop me when I am coming through to tell me that they logged it in.

Mr. McGrath asked is there anything, as a home owner, I can do to help?

Mr. Smith responded yes.

Mr. McGrath stated everything has a system. You cannot call until first thing in the morning, and it takes them awhile to schedule someone to come out.

On MOTION by Ms. Palmer, seconded by Mr. McGrath, with all in favor, unanimous approval was given to the check register and invoices, as presented.
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#### **D. Website Statistics**

The website statistics are contained in the agenda package and are available for public review in the District Office during normal business hours.

#### **E. Discussion of Bond Refinancing**

Mr. Moyer stated we have representatives from MBS Capital to present to the Board.

Mr. Robbie Cox stated I am the senior vice president of MBS Capital Markets. I am going to talk to you tonight about your 2007 bonds. Our fees depend on the refunding of your bonds. The reason that I am here is because of our ongoing search to monitor CDD issuances in Florida, particularly ones that we originally underwrote. As some of you may know if you were involved in the 2007 refunding, most CDD bonds have 10-year call protections, so the investors can guarantee a certain part of their investment. At the end of the 10 years, we generally are approached or we reach out to the District manager. We have worked a long time with Mr. Moyer. I told Mr. Moyer that this District was a good candidate for a refunding. Normally, we would have introduced ourselves and would have gotten hired and obtained authorization for outside credit, but I was not able to attend the last meeting. Mr. Moyer was able to get us under contract, which we had to do for security purposes. Fortunately, on this deal, there are no obligations, which is a good thing for you. We already went through your credit history and submitted a credit package to a bank. You received the response from the bank, which we will discuss shortly. In going through my presentation, the first few pages are about our firm. We are MBS Capital Markets. We took over Prager Sealy & Company. You can see the underwritings that they did in the early 1990s. This year alone, we have completed about \$200 million in transactions. Obviously, we have a great deal of experience and certainly Ms. Mackie or Mr. Moyer can speak to our experience. I provided a list of refunding deals, with the locations and size of the deals. The normal process is that we would have come to you and told you what the deal looks like, inform you that we are going through the credit process, pull some records from the District manager, and submit a package to a rating agency. I look at this as a public offering. You would put out a prospectus for an offering document, and we would go to the municipal market and market bonds. On the other hand, if you have a lot of pluses, oftentimes you can go to banks that are interested in Florida CDD deals and obtain a bank loan to purchase your bonds. That is much more efficient transaction. You do not have to go to a rating agency to get a rate on the bonds. Your underlying 2004 bonds are rated A- by Standard & Poors. We submitted your package to a bank, and they determined that you had great credit. To hit the highlights of your existing bonds, they were originally issued in the amount of \$3,325,000 on a non-rated basis. As I mentioned, we refunded the 2007 bonds several years ago. Those range from 5% to 5.75%. That market was significantly higher than where we are at today. That is good news. Right now, the outstanding principal amount is \$2,765,000. Your

current rate is 6.8%, which relative to the other refunding deals in the market, they are slightly higher. The bottom line is, there is a lot of savings. Your bond is callable as of April 1 with no penalty. They were called from May 1, 2014, to May 1, 2015, at a 1% rate. Generally, municipal governments look at a benchmark of 3% to 5%. That is the standard that we look at. Page 7 discusses credit considerations that a bank or rating agency would consider. I am not going to go through that extensively, but we checked most of the boxes. That is nothing that you need to worry about. Regarding page 9, based on the profile of your District, probably the bank best matches up with that. We received a response from the Bank of Tampa. They have a number of deals with us over the past couple of months. We received a turnkey package as of 4:40 p.m. That is basically a general statement that says what we think that we will be able to do. If you are interested, they would then come back with a formal commitment letter that locks them in. Rarely, if ever, do they stop the deal between the turnkey and the letter, unless there is some huge issue. That is not to say that it could not happen. Since you are looking at these numbers, your current outstanding balance on the 2007 bonds is \$2,765,000 at 6.08%. This is a rough estimate. Right now, we are estimating that you could issue new refunding bonds in a principal amount of \$2,690,000. There is a good savings on a principal basis. This presentation has an estimated average rate of 4.18%. That is a nominal rate of 4.8%. The bank uses a different date. In other words, they accrue interest based on the actual number of days in the month. I am pleased to say that the turnkey package came back at 4%, which is actually lower. Your estimated maximum annual debt service is the amount that you pay every year in principal and interest. It is just at \$200,907. Because of the lower rate, the amount would be \$2,000 less at \$198,000. Your estimated net amount of savings is just shy of 11%, or \$300,000. You would be looking at a savings of 15.7% with what you pay in debt service now, what you levy on your assessment roll each year, and what we would be levying in the future. That would take you to 16.5%. Under State Law, we are not permitted to enter into another type of refinancing scenario or a CDD bond scenario. We cannot extend the maturity of bonds. In other words, any savings that you are seeing are a function of interest rate differential and any related funds that you have in trust, like bond funds. The bank requires that you keep a reserve of 25% of annual debt service. That is another place where we achieve efficiency on your refunding because right now you have a year's worth of debt service in your reserve. Right now, the market standard is 50%. We

estimated your cost of issuance at \$160,000. That includes our fee, which was discussed in our agreement. That is an estimate but would be negotiated with the various professionals who would be working on the deal.

Mr. McGrath asked is it more or less \$100,000 going to various people who are involved in the process?

Mr. Cox responded yes.

Mr. McGrath asked other than yourselves?

Mr. Cox responded yes. You would pay us \$50,000. There are a number of people, such as underwriters and attorneys, as we have to obtain several opinions. The bank charges 30 basis points to commit to the deal.

Mr. Mastromarino stated it would take us more than four years until we see a benefit. Is this \$160,000 amortized over the four years, or is this one lump sum, upfront payment? How does that work?

Mr. Cox asked when you say that it would take four years to see some benefit, what do you mean?

Mr. Mastromarino responded if we are currently paying \$238,000 a year and it drops down to \$200,000, if we have to pay \$160,000, it is going to be at least four years until we see any benefit.

Mr. Cox stated no, because these savings and these numbers are net of the cost of the transaction. You are not writing a check for \$160,000. Those are all paid out of the bond funds. The savings are going to start immediately.

Mr. Mastromarino stated my concern is that even though we would see some savings down the road, I would not want to have to increase any of our CDD payments now in order to come up with \$160,000.

Mr. Cox stated no. The other aspect that is nice about this and that we want to make sure the Board understands is that when we talk about using funds, the only funds that we use are the funds in your bond. The money that you collect for your O&M payments is not affected at all. There is no out of pocket cost to the District for doing this transaction.

Mr. McGrath stated if the home owner pays \$120, that is real money.

Mr. Cox stated it is a straight savings.

Mr. Mastromarino stated pardon my ignorance in how this works, but I did not think that we could do anything. There is roughly a difference of 2% versus what we are currently paying and what we potentially would be paying.

Mr. Cox stated right.

Mr. Mastromarino asked who pays that 2%? We are paying it off like we are prepaying a mortgage.

Mr. Cox responded correct. It is like refinancing your mortgage. You have a lender that is going to lend at 4%.

Mr. Mastromarino stated I understand.

Mr. Moyer stated let me put it this way. If the bondholders are currently getting 6.8%, they are not going to be happy that we are going to take it down to 4%.

Mr. Cox stated that is exactly right.

Mr. McGrath stated the likelihood of doing better than improving it by 2% is pretty remote. We do not have a crystal ball.

Mr. Cox stated no. Someone was asking earlier about the timing. There is no requirement to refinance the bonds. Some time or another, there are rate increases. There is always a risk when we are looking at a transaction like this.

Mr. Mastromarino asked how long have you been doing this? Five or ten years?

Mr. Cox responded yes.

Mr. Mastromarino asked how have the rates been running?

Mr. Cox asked are you talking about refunding bonds or CDD bonds?

Mr. Mastromarino responded refunding.

Mr. Cox stated for refunding bonds, this year we have seen a dramatic swing in rates. At the beginning of the year, we were at historic lows. In late January or early February, we were at levels that we have never seen. For example, the scale that we use out to 30 years was at 2% for AAA bonds. That increased mid-year to 3.30% or 3.40% and has since decreased to 3.10%. That has been in the last year or so. Your 2007 bonds were insured bonds that had an AA rating. Those were issued at 5% to 5.75%. You are doing 100 to 175 basis points better for this bond than seven or eight years ago.

Mr. Mastromarino asked what would qualify us as AAA rated as opposed to us being an A-?

Mr. Cox responded you would not be AAA. No CDD would be AAA. We price on a spread for AAA bonds. For example, if the AAA bond is 3.10%, you may be an A- at 120 to 150 basis points above that, and that is how we would price them if we were doing a public deal in the municipal market. Fortunately, we do not have to worry about that because the bank provided us with a rate. The way that they price these are different,

depending on what index they use. Their rate is exactly what it has been for the last couple of deals that they have done. It is right in line with the market.

Mr. Mastromarino stated the maturity is 2035. In ten years, will we be having another conversation?

Mr. Cox responded theoretically, you could. The nice thing about a bank deal is that there is generally no call protections built in, so you can take them out at any time if you have surplus funds. If there was some crazy market event and rates decreased to 2%, we could have a conversation.

Ms. Incandela asked from the perspective of timing, what would we need to have in place if we are concerned about increasing rates?

Mr. Cox responded Ms. Mackie will discuss the process. The bank is flexible, but they are not going to wait for six months. It looks like you will not have to go through an assessment process because none of your assessments are going up. That is a good thing.

Ms. Mackie stated we have to go through a process outlined in Chapter 170, Florida Statutes, when there is an increase in principal or interest. In this case, you have neither. The funds are also going to be used to pay for something that was otherwise not in the initial assessment proceeding in 2007. One concern on bank deals is that because of other market factors that may be in existence, as of late, they have indicated that in an instance where the bonds are taxable, there may be a look-back period where they would require the District to pay for penalties. In that case, we did not originally notice for that in our Chapter 170, F.S., process when we issued the Series 2007 bonds, so in an abundance of caution, other Districts have gone through the Chapter 170, F.S., process, by providing a notice. Assessments are anticipated to decrease, which is good news, but if anyone would like to talk about the bonds, we will be holding a public hearing and going through the Chapter 170, F.S., process. That is not a requirement of this deal, and I have not seen the actual terms, but we may want to go back through the assessment process.

Ms. Incandela asked are our bonds tax exempt?

Mr. Moyer responded the concern is that the IRS may change its mind. That is the protection that the bank is looking for.

Ms. Incandela stated if that happened and we had to pay taxes going forward, that would change all of the terms.

Mr. Moyer stated that is correct.

Ms. Mackie stated no, that would not happen. That is not what the bonds were used for. It is just a numbers game at that point.

Ms. Incandela stated I thought that these were tax-exempt bonds for the roads, meaning they are public versus private.

Ms. Mackie stated that keeps your bonds currently tax exempt. In the case where you do not refinance your bonds and they are deemed taxable, it does not provide any protection. At that point, you already taxed the bonds. There are other requirements to keep the roads open to the public.

Mr. Cox stated Ms. Mackie is correct. Based on what we know now, that is an unlikely eventuality.

Ms. Mackie stated we will have to meet to set a public hearing and notice that public hearing at the time that we pre-close on the deal, as opposed to if I need to coordinate with bond counsel and other parties, we would be looking at the end of December/early January, but that would not be an issue.

Mr. Cox stated you do not have to go through a formal process. We just need to prepare the documents. The bank is flexible. They understand that CDDs have certain processes that they have to undertake.

Mr. Moyer stated if you agree to proceed, we would be looking for a motion to authorize staff to coordinate the financing team, which would be bond counsel, Ms. Mackie, and people who worked for us in the past. As Ms. Mackie said, we will start gathering the documents, such as the commitment letters, see what we need to do and then proceed.

Ms. Palmer stated I personally think we should refinance, as it would save residents money.

Mr. McGrath stated I am uncomfortable about not having a process. I need to be sure, while this may be the best deal in the entire world, that the \$160,000 for this activity is about right, and if there is any concern about not having someone else tell us what they might do.

Mr. Moyer stated the problem is that under the banking regulations, you cannot talk to a banker unless you have a contract. That is why I signed one, which has a termination provision. If you decide not to refinance, we will just terminate it and are done with it. I think in terms of offering these for a competitive sale, given the very small amount that

we are talking about, that would significantly drive up that \$160,000. Approximately \$100,000 is for the professionals, such as the underwriter.

Ms. Mackie stated that is correct. As Mr. Cox said, that is a conservative amount and may not ultimately be what the cost of issuance is. I think we discussed at the last meeting about the B bonds being callable in May and MBS presented a proposal. There are others in the market that did not provide a proposal.

Mr. McGrath stated I am satisfied.

On MOTION by Ms. Palmer, seconded by Mr. Mastromarino, with all in favor, unanimous approval was given to execute the contract with MBS Capital Markets, as presented, and to authorize staff to coordinate the financing team.
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## **SEVENTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Ms. Mackie stated as we discussed at the last meeting, I believe that the HOA retained a new attorney who contacted me last week to discuss their plans to take corrective action on parking on public rights-of-way owned by the District. I know the Board discussed this at length in the past. One of our suggestions to the HOA, in light of the fact that we cannot enforce on rights-of-way that the District owns, is for the HOA to enforce through its covenants and restrictions. Mr. Roland Santiago was the prior HOA attorney. I think that he brought it up to the attention of the HOA, but I am not sure where this went after that. Needless to say, the new attorney contacted us, and they seemed serious about moving forward on parking enforcement. They initially drafted a towing agreement where the District would have authorized the HOA to tow cars within the right-of-way. We discussed that the District does not have the power to enforce and cannot grant authority to someone else. I said that I believe that the declaration itself binds it legally to do that. He requested that the District consider providing a license agreement to the HOA. I do not think that a license is required for the HOA to do what it is seeking to do, but he thought that, in terms of small claims court, it could help as a defense that the HOA does not have the authority to be on public rights-of-way. I do not see that as being much of an argument. To the extent this is helpful to the HOA, I repeated this Board's sentiment that it is willing to help as much as it possibly can with this situation. I would tell the Board again that I have not reviewed the covenants, but I do not think that it is necessary, and there is no liability to the District.

Mr. McGrath stated if it will help, that would be great.

Ms. Mackie stated I believe that this was brought to your attention a long time ago. If they did not meet recently to go over the final structure, they plan to in the near future. I think he said that there would be some sort of escalating fine one time.

Mr. McGrath stated that is up to them.

On MOTION by Mr. Mastromarino, seconded by Ms. Palmer, with all in favor, unanimous approval was given to the HOA to proceed with parking enforcement, as discussed.
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Mr. Frawley stated the CDD clearly defines where the jurisdiction is. The HOA has jurisdiction from my front lawn to the back of my property. They have no jurisdiction of the roads.

Ms. Mackie stated the declaration covers the entire property. In that declaration, one of the covenants requires that owners park their cars within their driveway. In this case, it is clear that there are home owners who are in violation through the HOA.

A resident stated people who have five cars take up their driveway and my driveway.

Ms. Mackie stated that is why the HOA wants to have the ability to enforce it.

Mr. Klusko asked who is responsible for the enforcement of parking on Brighton Lakes Boulevard in front of the basketball court?

Mr. Smith responded that has designated parking there.

Mr. Klusko asked if I see a car parked on Brighton Lakes Boulevard, who is responsible?

Ms. Palmer responded the HOA should still be able to enforce.

Ms. Incandela stated they do not have responsibility.

Ms. Palmer stated but they could. We had discussions with the sheriff's office that they have the ability to ticket cars.

Mr. Klusko stated the CDD put parking spots for the community to park there.

Mr. McGrath stated right.

Ms. Palmer stated that is designated parking, not parking in the roadway.

Mr. Klusko stated what you are saying is that they changed the roadway so it is no longer a three-lane road. There is parking now.

Ms. Palmer stated I do not think that they have overnight parking.

Mr. Klusko stated there are No Parking signs on Brighton Lakes Boulevard.

Mr. Smith stated we can take down the license plate and report it.

Mr. McGrath stated the same as in our parking lot here.

Mr. Klusko stated all of the boulevard areas are common areas.

Mr. Smith stated anything that is not in front of a home is our responsibility. The HOA deals with on-street parking in front of homes.

**B. Engineer**

There being nothing to report, the next item followed.

**C. Field Operations**

**i. Field Management Report – October 2015**

Mr. Smith reviewed the field management report as contained in the agenda package, which is available for public review at the District office during normal business hours.

Mr. Smith stated the Board was asking about the cost to install cameras at the basketball court. Each camera is \$79. One camera installed is \$1,700. Two would cost \$3,000.

Mr. McGrath asked did we discuss installing a dummy camera?

Mr. Smith responded I installed a dummy camera.

Mr. McGrath stated leave it at that.

Mr. Smith stated I measured the windows for blinds, but it will make the room hotter. I can put window tint for now.

Mr. Mastromarino stated it is even more than the heat. People sitting up here get the glare of the sun.

Mr. Smith asked do you want me to put on the tint?

Mr. Mastromarino responded yes.

Mr. Frawley stated at least try the tint. It is cheap.

Mr. Smith stated at the last meeting, we took inventory of the folding chairs. We have 17 folding chairs. At the bus stop at Sweetspire Circle, we removed two benches and reinstalled one bench in front of lake at Sweetspire Circle and one bench on Sweetspire and Heliotrope Loop. It was a water-proofed bench with sealant.

Mr. McGrath stated I see people using the exercise stations, which is great.

Mr. Mastromarino stated at the last meeting, the minutes mention potential backflow repairs around the storm drains. On Star Grass, they guys filled it in, but it still continues to sink down and settle. Do we need to look at all the drains?

Mr. Smith responded no. They put the curb in that collar on top of the structure, so it has a seam there. A lot of times, the seams get chipped or they do not put in the proper

washer and the water starts infiltrating and draws dirt down. We have not had a chance to get out there and start fixing all of those. We will go ahead and backfill them. The contractor has a list of them and will come out and patch them.

Mr. Mastromarino stated so it is not a major expense that we need to consider.

Mr. Smith stated no.

Mr. Mastromarino stated we have an HOA sign on the left as you enter into the clubhouse area. It has been totally useless in the five years that I have been here. Is there a possibility to move it to the right side of the gate, so when people enter through the gate, they are more inclined to see it. The HOA can then use that sign as they should and not put signs over signs. That was something that they had requested.

Mr. McGrath responded the HOA installed it with our permission.

Mr. Smith stated I will move it.

Mr. Mastromarino stated I will let the HOA know.

#### **ii. Action Items List**

Mr. Smith reviewed the action items list as contained in the agenda package, which are available for public review at the District office during normal business hours.

Mr. Mastromarino stated I was just reviewing the checklist. Can you add the inspection of life saving equipment at the pool?

Mr. Smith responded I can have the pool attendants do that.

Mr. McGrath stated good idea.

Mr. Mastromarino stated I was talking about seeing if a life preserver is missing or rope. Make sure that it is there and accessible.

#### **iii. Residential Call Log**

Mr. Smith reviewed the residential call log as contained in the agenda package, which is available for public review at the District office during normal business hours.

#### **iv. ACT Service Calls**

Mr. Smith reviewed the ACT service calls as contained in the agenda package, which are available for public review at the District office during normal business hours.

#### **v. Girard Environmental Report**

Mr. Smith reviewed the landscape report as contained in the agenda package, which is available for public review at the District office during normal business hours.

#### **vi. American Ecosystems Report**

Mr. Smith reviewed the aquatic weed report as contained in the agenda package, which is available for public review at the District office during normal business hours.

**vii. Aquatic Pools Corporation Report**

Mr. Smith reviewed the pool report as contained in the agenda package, which is available for public review at the District office during normal business hours.

**viii. Keep Safe Security**

Mr. Smith reviewed the Keep Safe Security report, which is available for public review at the District office during normal business hours.

**ix. Vortechs Heating & Air Report**

Mr. Smith reviewed the Vortechs heating and air report, which is available for public review at the District office during normal business hours.

**x. Discussion of Brighton Lakes Pavement Evaluation Report**

Mr. Smith stated I asked the engineer to provide us with a proposal. This is just for informational purposes, so that we know what the cost is associated with having an engineer come out and do a full study of all the roads and provide us with a report on the conditions of the roads.

Mr. McGrath stated the last that we discussed the roads, I understood that the asphalt is good for another five years.

Mr. Smith stated correct. When there is a depression in the road, they come out and saw cut it and patch it. They also replace pavers if there is a chip.

Ms. Palmer asked did we approve the repainting of the roadway lines at the last meeting?

Mr. Smith responded I will provide one at the next Board meeting. I provided a cleaning schedule for the roads.

Mr. McGrath asked did you get a chance to clean out the storage area?

Mr. Smith responded yes.

Mr. McGrath stated there are a lot of things that should be thrown away.

Ms. Pieters stated the sidewalks outside are black.

Mr. Smith stated we pressure washed those at one time. We did all of Maracaibo, the guardhouse, and the recreation center. We also pressure washed the sidewalks on Volta.

Mr. McGrath stated it is a never-ending job. As soon as you finish, it will be fabulous.

A Resident stated the sidewalk between the entrance and Volta is covered with a layer of mud.

Mr. Smith stated it has algae on it. Our crew was just out there sand washing the entire front wall and painting the wall.

Ms. Incandela stated they are out here collecting trash all the time. From the hotel, I can walk to every single park, and by the time I come back, I see more trash. It is people who live here.

**EIGHTH ORDER OF BUSINESS**

**Submitted Resident Questions and Audience Comments**

There being none, the next order of business followed.

**NINTH ORDER OF BUSINESS**

**Supervisor Requests and Comments**

Mr. McGrath stated there is a raised sidewalk at the entrance. I am worried that it will become a tripping hazard.

Mr. Smith asked right at the front entrance?

Mr. McGrath responded that is correct. All the way by the front sidewalk.

Mr. Smith stated that sidewalk belongs to the County.

Mr. McGrath stated give it to them. Next Tuesday, there is a meeting at the Vine Church concerning a Pleasant Hill flyover, which Mr. Mastromarino told me about. It is from 5:00 p.m. to 7:00 p.m. The Vine Church is right on John Young Parkway on the right before the railroad bridge. I do not know if it will help by having a large number of people there, but if you think that it will be a good thing to have a flyover to improve traffic flow, that would be a chance to let your voice be heard. We talked about having T-shirts for employees. Is that something that they currently have?

Mr. Smith responded yes.

Mr. McGrath stated regarding the shrubs at the front, we have shrubs that are only three feet tall. I do not know what we need to do. I would like for that to be a continuum.

Mr. Smith stated they are new but they will grow.

Mr. McGrath stated I do not mean the ones on the north side that we installed to block the back of that one house.

Mr. Smith stated we put some new shrubs on the south side, as well.

Mr. McGrath stated so it is a work in progress.

Mr. Smith stated they are growing in fast.

Mr. Mastromarino asked do we need to consider holiday bonuses for any of our vendors?

Ms. Palmer responded we usually give them to the people who work in the clubhouse.

Mr. McGrath stated this year, we do not have employees.

Mr. Smith stated they are temporary employees. We have some money in the budget to give them \$50.

Mr. Mastromarino stated last year, Mr. McCartan asked us not to give bonuses to his staff. Late this afternoon, I received from the management company a proposal from a company that reviews utility bills. There is no cost other than taking half of what they recoup. One community saved \$19,000 on their electric bill. I am wondering if that is something we should consider.

Mr. Moyer stated we can have the accountant pull the electric bills.

Mr. Mastromarino stated besides electricity, we have cable and telephone. Maybe we can ask for a detailed report and what the process is. We can see how they do it the first year, and then perhaps this is something that we can undertake ourselves.

Ms. Palmer stated I would think you would receive a copy of what the refunds were.

Mr. McGrath asked are they a local company?

Ms. Palmer responded they are in Winter Springs. Can you look into this, Mr. Moyer?

Mr. Moyer responded yes.

Mr. McGrath asked do we need a motion?

Mr. Moyer responded yes, to approve the proposal, subject to Ms. Mackie's review and my review.

On MOTION by Ms. Palmer, seconded by Mr. McGrath, with all in favor, unanimous approval was given to approve the proposal for review of utility bills, subject to District counsel and District manager's review.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next order of business followed.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. McGrath, seconded by Mr. Mastromarino, with all in favor, the meeting adjourned at 8:00 p.m.

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Gary L. Moyer, Secretary

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Michelle Incandela, Chairman