

MINUTES OF MEETING
INDIGO COMMUNITY DEVELOPMENT DISTRICT

A continued meeting of August 22, 2012 of the Board of Supervisors of the Indigo Community Development District was reconvened on Friday, August 31, 2012 at 1:00 p.m. at the Holiday Inn Daytona Beach LPGA Blvd., Boardroom, 137 Automall Circle, Daytona Beach, Florida 32124.

Present and constituting a quorum were:

Robert Welsh	Chairman
Ed Bertsch	Vice Chairman
John Zemball	Supervisor
John McCarthy	Supervisor
Tom Leek	Supervisor

Also present were:

Jim Perry	District Manager
Jonathan Johnson	District Counsel
Katie Buchanan	Hopping Green & Sams
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Gary Moothart	Indigo Development
1 Resident	

FIRST ORDER OF BUSINESS

Introduction

Mr. Perry called the meeting to order at 1:00 p.m.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2012-04,
Imposing Special Assessments and Certifying
an Assessment Roll for Fiscal Year 2013**

Mr. Johnson stated at your public hearing last week, we adopted your budget. You adopted the appropriate resolutions, which provided for the appropriation of monies into various funds but we continued for purposes of dealing with your assessment resolution, while Mr. Perry's staff was trying to work out some final issues on the actual assessment roll with Volusia County. I have just provided you with an underlined strike through version of the resolution that was in the agenda package at that time. It does two things; we have certain properties for which

O&M monies were not paid last year. In your Resolution 2012-04 you retained the ability, to the extent that someone did not pay an O&M assessment that was to be collected directly, to collect that this year on the Volusia County tax roll. For certain properties that are delinquent in their O&M and for which we have some reasonable expectation that perhaps tax certificates might sell. For example, we are proposing to put both last year's allocation, as well as this year's allocation on that bill. That is noted on page two. We are also simply noting and reserving all of our rights relative to our ability to foreclose on any properties, which have not paid their debt service assessments and which are accelerated and due. We wanted it to be clear that nothing about this resolution impacted our rights with respect to that. It also provides for the continued accumulation of 1% penalties and interest pursuant to statute on any delinquent assessments. Other than that, it is the standard resolution that you have seen before.

On MOTION by Mr. McCarthy seconded by Mr. Welsh with all in favor Resolution 2012-04, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2013 was approved as amended.

FOURTH ORDER OF BUSINESS

Discussion of Field Management Services Contract

Mr. Perry stated this was brought up at our last meeting. I provided to you a copy of the contract with Solaris Management Services. It is dated October 27, 2010. That contract does extend on a year to year basis. The effective date for this next year would be October 1, 2012 through September 30, 2013.

Mr. Welsh asked do we want to increase the amount of money a little bit or leave it the same?

Mr. Leek responded I guess I would like to look at that as a separate issue. I think Kurt needs to talk to someone about whether there needs to be an adjustment to the fee and we can authorize the Chair to act in our best interest.

Mr. Welsh stated I know he is doing a good job.

On MOTION by Mr. Leek seconded by Mr. Bertsch with all in favor the Field Management Services Contract with Solaris Management Services for Fiscal Year 2013 was approved.

Mr. Johnson stated if you want to then increase the compensation I think you would need to do two things; one is negotiate a contract amendment and two, consider a budget amendment. If you want to authorize the Chair and staff to negotiate those items, I think those would need to come back to you at your next meeting.

FIFTH ORDER OF BUSINESS

Consideration of Proposal from Aquatic Systems

Mr. Perry stated included in your agenda package is a proposal from Aquatic Systems.

Mr. von der Osten stated this is a renewal of the existing Aquatic Systems contract. They are in the third year of the contract. I am fairly satisfied with the performance of Aquatic Systems. They were not the highest bidder. We decided we would go with the lower cost. I think there is a very slight increase in their fees.

Mr. Leek stated \$19 a month.

Mr. von der Osten stated I would recommend that we continue with Aquatic Systems.

Mr. Johnson stated if I could just discuss that rather than having that simply renew under the old document that we will have their proposal be memorialized as an amendment to the agreement. We did not do that last year, although we had in the prior years. We can probably do an exhibit, which shows the lakes they are doing.

On MOTION by Mr. Welsh seconded by Mr. Zemball with all in favor the Proposal from Aquatic Systems was approved as an amendment to their contract.

SIXTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager – Discussion of Meeting Location

Mr. Perry stated in discussion with the hotel here, in regards to meetings, as you know they have allowed us to conduct meetings here for over two year now. They did charge us about a 1/3 of the rate if we used the large room. This room has been free. It is typically \$150 to utilize this room. They are proposing \$50 a meeting going forward for this room. If the board wants us to we can explore going back to DBCC or keeping it here. This seemed to work pretty good for convenience purposes.

Mr. Leek asked what did the university charge?

Mr. Perry responded it is free. The only problem we did encounter with them is moving us to different rooms because of scheduling conflicts. The one room we met in a lot of times was not really conducive for meetings.

Mr. Zemball asked what was the rate for the ballroom?

Mr. Perry responded they were proposing \$150 or \$100. Because of what we anticipate for this next year, we are not anticipating using that room.

On MOTION by Mr. Welsh seconded by Mr. Zemball with all in favor to Continue Having Board Meetings in the Boardroom at the Holiday Inn Dayton Beach LPGA Boulevard at a rate of \$50 per meeting was approved.

D. Field Operations Manager

Mr. von der Osten stated one item that was carried over from last week is additions to the landscape contract to the community. I have handed out a proposal for the tree cutting, which was cut out of last years budget and I have also handed out a quote for lake bank mowing. The proposal for the year is \$43,200 for tree cutting. My last count I had 600 oak trees. The proposal for lake bank mowing is just for two cuts to finish out the season.

Mr. Rountree stated that is for September and October. That is an additional cut for each of those months. Going through the winter we shouldn't have to add anything. We will be able to go back to our reduced rate. We will have to revisit it again going into the spring.

On MOTION by Mr. Leek seconded by Mr. McCarthy with all in favor the Proposal from Rountree for Additional Lake Bank Mowings at a Cost of \$1,100 was approved.

Mr. Welsh asked do we have money in the budget to increase this?

Mr. Perry responded we did not budget for it for this next fiscal year. You do have some general reserves that you can utilize to fund this. When are you proposing to start?

Mr. Rountree responded October.

Mr. Perry stated so it would be for next fiscal year.

Mr. Rountree stated this is not going back to what we were originally doing. This is still only about half. This is in essence trimming them all once for the year but spreading it out through the course of the year.

Mr. Perry stated but right now, you are going out there on a periodic basis for problems. How much are we spending in regards to those problems on a periodic basis?

Mr. von der Osten responded we haven't done much.

Mr. Bertsch stated I did a drive through with Jamie last week and the trees are getting lowered. It is either now or later and later may cost more.

On MOTION by Mr. Welsh seconded by Mr. Leek with all in favor the Proposal from Rountree for Arbor Care totaling \$43,200 was approved.

EIGHTH ORDER OF BUSINESS

Supervisor's Request and Audience Comments

A resident stated you mentioned you were reserving the rights to foreclose on the assessments of parcels of land that were not paid. Is there any progress on closing on anything?

Mr. Johnson responded there has been no foreclosure complaint filed yet.

A resident asked are you working towards that?

Mr. Johnson responded we are following the direction of the bondholders. If you want to get more specific information I would urge you to call Julio Aponte at Greenberg Traurig. We are following his directions in terms of the foreclosure.

A resident asked are they working on it?

Mr. Johnson responded we have worked some on it. We haven't been given a direction to go yet.

Mr. Leek stated at the last meeting I asked for an assessment review of the previous years. I think you can see pretty clearly there that each of the years going back to 2007, we have reduced the expense budget substantially. We have also reduced the assessment for the platted

lots until 2011, where we had shortfalls because of the failure of the Developers to pay. It went up a little bit then. In the approved amount for 2012 that we noticed was \$636 per month but the final budget that we adopted was \$558.68, so we do have another increase this year but be aware there is \$150,000 decrease in expenses, so we cut our budget again this year but because of the circumstances, the platted lots actually go up a little bit. The un-platted lots go down in assessments. I know a lot of residents complain and talk about how much they have to pay every month but we have reduced the budget every year. The assessments changed because of the failure of the Developers to pay their portions over the past few years. On their trim notices, they may think it went up because we actually started putting this assessment on their trim notices. I think the key point is that the board has been working hard to reduce the expenditures every year and have been successful in doing that.

Mr. Perry stated in fiscal year 2011, the platted lots were \$416.77. The approved budget was \$636.94, which is what we noticed and we actually adopted a rate of \$558.68. For this year, we did not change the rate. There has been no increase from the prior year. Beginning in 2007 our expenditures were approximately \$1,231,000 through 2011, they were reduced to \$995,730 and then last year we further reduced those to \$839,000. This year the budget is basically the same.

Mr. Zemball asked does the budget need to be revisited per these changes?

Mr. Perry responded we will do an amended budget. We will probably do that at the end of the first quarter. We typically only do one budget amendment a year.

SECOND ORDER OF BUSINESS

Shade Meeting

Mr. Johnson stated as you know, at your last public meeting we requested an attorney/client session under Chapter 286.011(8). We are now going to commence that attorney/client session. The only persons that may remain in the room and attend the meeting are Jonathan Johnson, Katie Buchanan, James Perry, Robert Welsh, Edward Bertsch, John McCarthy, John Zemball, Thomas Leek and our court reporter. At this point, we will ask everyone else to leave. When we conclude, we will come back into a public meeting again. The attorney/client session is expected to last no more than an hour. The shade meeting began at 1:29 p.m. The shade meeting has concluded approximately an hour later. I have opened the

doors. I have announced its conclusion outside. I see no members of the public, who have returned to the room.

EIGHTH ORDER OF BUSINESS **Supervisor's Request and Audience Comments**

Mr. Welsh stated I think we should go ahead and have the meeting in September.

Mr. Perry stated let's keep it on the schedule. Staff will get together approximately 10 days prior to that meeting and if there doesn't appear to be anything of major business for the District then we will contact the Chair and discuss it with him. If we cancel the meeting we will let everyone know. Do you want to schedule the November meeting date?

Mr. Johnson responded I do, unless you feel optimistic we are going to hold the October meeting.

Mr. Perry stated it depends if we hold the September one.

Mr. Johnson stated I would like to formally request a shade meeting with the board pursuant to Chapter 286 at your November 28th meeting at this location at 1:00 p.m. The persons, who would attend will be the five members of the board, Mr. Perry, Mr. Johnson, Katie Buchanan and Cheryl Stuart and a court reporter. That topic would be to discuss litigation settlement and expenditures.

On MOTION by Mr. Welsh seconded by Mr. McCarthy with all in favor a Shade Meeting Scheduled for November 28, 2012 at 1:00 p.m. at the Holiday Inn Daytona Beach LPGA Blvd, Boardroom, 137 Automall Circle, Daytona Beach, Florida 32124 was approved.

NINTH ORDER OF BUSINESS **Next Scheduled Meeting – 9/26/12 at 1:00 p.m. at Holiday Inn**

Mr. Perry stated the next scheduled meeting is on September 26, 2012 at 1:00 p.m. at this location.

TENTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Welsh seconded by Mr. Bertsch with all in favor the Meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman