

INDIGO  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, June 24, 2015 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, Ballroom, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

Robert E. Welsh	Chairman
Thomas G. Leek	Vice Chairman
John McCarthy	Supervisor
Donald Parks	Supervisor
Mark McCommon	Supervisor

Also Present were:

James Perry	District Manager
Katie Buchanan	Hopping Green & Sams (by telephone)
Kurt von der Osten	Field Operations Manager
Cheri O'Donnell	Solaris Management
Jamie Rountree	Team Rountree
Ashley Noonan	GC Land by telephone
Adam Krug	GC Land by telephone
Leigh Fletcher	Fletcher & Fischer

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the May 27, 2015 Meeting**

Mr. Perry stated item three is approval of the minutes of the May 27, 2015 meeting. Are there any additions, corrections or changes to the minutes?

There being none,

On MOTION by Mr. Parks seconded by Mr. McCarthy with all in favor the minutes of the May 27, 2015 meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Acceptance of Draft Fiscal Year 2014 Audit**

Mr. Perry stated item four is acceptance of the draft fiscal year 2014 audit report, copy of which was included in your agenda package. This is a draft and is almost finalized. I don't believe there are going to be any changes to it but there might be some typos in it that we have to address. I want to highlight a few things for the board. On page 1 at the bottom is the opinion and that is very important and is what you would refer to as a clean audit and basically the financials are fairly presented in all material respects for the year ended September 30, 2014. In this district I don't believe we have ever had anything other than a clean audit opinion but you will find when we get to the back there are management comments and things in regard to internal controls that I want to review with you. Overall the financial statements are presented fairly and the auditors didn't notice anything unusual. On page 24 is the report on internal controls and it talks about compliance and other matters and at the bottom of that is also what is referred to as a clean opinion in regards to internal controls and that their testing disclosed no instances of non-compliance, which is what you want to see. If they have any issues they will note it in the audit report. On page 28 is the management letter and it talks about current year findings and recommendations. It shows that financial condition assessment and all of this is related to the bonds. We have gone through this year in and year out we continue to respond to them that the district continues to work with the bondholders and with the landowners in default on their assessments to work through the process and bring those assessments current along with the bonds. This is nothing unusual we have had this for probably four to five years now in the audit report. The state is well aware of it, we get letters on an annual basis back from the state asking what steps have been taken and so forth. I wanted to point that out so that you are not alarmed in case anybody asks you about that. On page 29 are specific items they have to report in regards to the rules of the Auditor General of the State of Florida and you can see there are no issues with that.

Once this audit report is finalized we file it with the state and it will probably be finalized today. We have to file it by June 30<sup>th</sup>.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the fiscal year 2014 audit was accepted and staff authorized to provide the final report to the State of Florida.

**FIFTH ORDER OF BUSINESS**

**Discussion of Fiscal Year 2016 Approved Budget**

Mr. Perry stated item five is a placeholder in regard to the fiscal year 2016 budget and we have not made any changes to the budget as approved at the last meeting. We have scheduled a public hearing for our August 26, 2015 meeting and we will have updated financials at that time and we might have a few changes in specific line items but we are not anticipating any major changes to the budget as of right now.

**SIXTH ORDER OF BUSINESS**

**Consideration of Documents Related to Landscape RFP**

Mr. Perry stated item six is consideration of documents related to the landscape RFP and included in your agenda package is evaluation criteria, request for proposals document and several other documents that are extensive that Kurt has been working on.

Mr. Parks asked on the evaluation criteria these six items are they consistent with the last time this was bid?

Mr. Perry stated they are the same to my recollection.

Ms. Buchanan stated I think I sent you a revised form this morning and I will walk through it and I think these are consistent with what we did last time and I am going to suggest that we make three changes. What has happened since the last time we bid this out is there is an attorney general opinion that discourages special districts from using geographic location or essentially a local preference in their award process. What we have done to accommodate that is typically added geographic location as one component of the personnel criteria and I think it is appropriate to weigh it in that nature. Given that we have taken out number six we would need to reallocate those ten points somewhere else and I suggest putting them on price and understanding scope of work such that it will be 25 points for understanding scope of work and 20 points for price and eliminate no. 6.

Mr. Parks asked why not under experience?

Ms. Buchanan stated you can do whatever you like that was just a suggestion. Discuss how you would like to allocate the points.

Mr. Perry asked if we are moving under personnel the concept of geographic location not specifically but tied to personnel would it be more appropriate to increase that by 5 points?

Ms. Buchanan stated I'm comfortable with any of your allocations that you lay it on within these five categories.

Mr. Parks asked the geographic location would be if a person wasn't close by that would be a deduct?

Mr. Perry stated correct, response time and things of that nature.

Mr. Parks stated you are suggesting that personnel go to 25 and I'm suggesting that experience go to 25.

Mr. Leek stated I like understanding scope of work as an increase and I'm good with either experience or personnel.

Mr. Parks stated I could agree with either one.

Mr. Perry stated scope of work would be 25 points. Personnel or experience, which would you like to increase?

It was the consensus of the board to go with experience.

Mr. Perry stated we will revise the evaluation criteria where personnel will be 20, experience 25, understanding scope of work 25, financial capability 15 and price 15. Geographic location some of that concept will be revised into personnel.

Mr. McCommon stated on price it says 15 points maximum but 20 points will be awarded.

Mr. Perry stated it will have to be revised.

Mr. Leek asked what was the reasoning behind the attorney general's decision not to include geographic location as the criteria?

Ms. Buchanan stated they saw the district as a special purpose entity and we don't have any general powers we only have those specifically granted to us by statute then we should take a more restrictive stance on our bidding procedures. Because there have been statutes that specifically authorize local preference we don't have the authority to do that. I think there may be some flaw in that analysis given that there is no statute that tells us we need identify personnel, experience, understanding scope of work or financial capability either but I don't know that it is necessary for us to be outright opposition to the opinion, I think we can make it work.

Mr. Leek asked what if we didn't what would the penalty be?

Ms. Buchanan stated I highly doubt there would be an enforcement mechanism.

Mr. Perry stated unfortunately landscapers is probably the biggest group we ever have issues with in filing challenges to the process so you don't want to give them an opening to do something. We have protests all the time in districts with landscapers regarding scope and allocation and various things. I think you see that statewide too.

Ms. Buchanan stated it is a concern.

Mr. Perry stated after that are documents in regard to the request for proposals and it has the timelines, etc. for when the proposals will be due.

Mr. McCommon stated there is a typo in the last paragraph it should be August 4, 2015 I'm assuming.

Mr. Perry stated yes.

Mr. McCommon asked we anticipate meeting all these, the project manual will be available there won't be any adjustment to this?

Mr. von der Osten stated it basically is available right now. It will be tweaked after today's meeting.

Mr. Parks asked will the criteria sheet be in our packet beforehand?

Mr. Perry responded yes, we will provide you a blank sheet that will list the proposals that came in and typically between Kurt, Katie and myself we will look at them to make sure they are responsive and they meet the basic criteria because sometimes the contractors are not responsive and leave certain things out. We will provide those to you along with a grading sheet and we typically will meet at the meeting and see if there is a consensus on the different criteria.

Mr. von der Osten stated there will be a pre-bid conference at the office and depending on how that goes we can arrange a site meeting.

Mr. McCommon asked how is this advertised.

Mr. Perry responded it will be advertised in the Daytona Beach News Journal.

Mr. Parks asked will seven of us do the evaluation or just the five board members?

Mr. Perry stated there is no right or wrong way to do this but typically between Kurt and myself we usually will go through it and do a ranking and we would expect that you would do your own ranking. As staff we look at it also and we can provide that to you at the meeting.

Mr. von der Osten stated on the last RFP we bid different scenarios, we bid the level of existing service and alternates of reduced service because we were in a pretty tight budget situation at the time. We had the current level bid and two alternates at reduced levels and the board went with a reduced level in the community and we stayed with the existing level at the interchange. Are we going to bid what is currently in place, any changes you would like to make to the existing scope of work? Keep in mind at the interchange you are the sole contributor to that next year.

Mr. McCarthy asked is there any progress on that?

Mr. Leek stated the car dealers association in the Automall pays just under \$20,000 a year for maintenance of that to Consolidated. That is all I know so far but I think that establishes a precedent and someone needs to solicit the other potential beneficiaries of that interchange. It used to be Consolidated Tomoka, they don't believe it is anymore but we have a mall coming in, a new bank, a lot going on LPGA and in those two side streets.

Mr. McCarthy stated as a result of Consolidated Tomoka we are losing half. Can we go with a level commensurate with our contribution and solicit others during the year as they come on board?

Mr. Perry stated there will be some line item adjustments to the budget, capital improvements and things of that nature and all that has been updated so we are in good shape with that. The level of effort on an annual basis would probably be in the \$80,000 to \$90,000 range, which you can still sustain for a year or two without an impact but eventually you are going to have to do something.

Mr. Leek stated I think we need to have somebody go out and talk to those people. If we don't ask we know what we are going to get. I would expect the Automall would be willing to continue paying what they are paying and the other beneficiaries should be willing to contribute as well. We need a salesman to go out there and talk to them and sell them on the benefits of us maintaining that and them contributing to it because there is benefit.

Mr. McCommon stated it would be education at the same time because some of them really don't understand how it works today.

Mr. Leek stated I'm sure most of them don't. How do we get a person because we have until the end of October?

Mr. Perry stated we are going to adopt the budget in August regardless of whether you have funding or not I think you are fine for this coming year.

Mr. Leek stated as far as the budget is concerned but as far as getting contributions from the other entities we should start doing that now.

Mr. Welsh stated they may ask what happens if they don't contribute.

Mr. Perry stated you are probably going to want a lower level of service than what you have out there so the changing of the flowers and the upkeep is not going to be to the current standards.

Mr. Leek stated we have a minimum requirement and we need to know what that is. If nobody wants to contribute then we probably go to the minimum.

Mr. von der Osten stated turn off the lights, turn off the fountain, all those electric bills are big.

Mr. Leek stated we need to review that agreement.

Mr. McCommon stated we are going to need an agreement with the Automall and they have been sending it to Consolidated and has Consolidated communicated to them that going forward it goes to us instead of them.

Mr. Leek stated according to the unofficial discussions I have had it is a line item in what Consolidated bills for other things. Everybody knows what that amount is.

Ms. Buchanan stated I pulled up the interlocal agreement between Daytona Beach and Indigo and DOT for the interchange and it has vague language.

Mr. Perry stated I'm sure it was specified in the original plans.

Mr. von der Osten stated there was a landscape plan that originally received a state grant to install. The city applied to the state to get the grant but the city didn't want to maintain it so the city entered into the agreement with the district for maintenance.

Mr. Perry stated between me and Kurt we will take the current landscape maintenance schedule for the interchange and do a matrix showing what it currently is and then what the minimum is.

Mr. Leek stated I suggest we draft a letter to the entities that own those things and say here is what is happening, here is what we would like you to do, we would like you to participate and I don't know how we determine at what level.

Mr. Perry stated it is a little tricky.

Mr. von der Osten asked isn't there a property owners association for the Automall over all of those?

Mr. Leek stated I don't know if it handles furniture or not but that association gets billed by Consolidated.

Mr. McCommon stated I don't know if the number Consolidated billed them remained constant but since there are more dealerships going in maybe that number needs to be \$25,000. There is the dealership next to furniture row, the bank, etc.

Mr. Perry stated we don't know how they allocated it. The maintenance is probably going to run \$90,000 a year and you can absorb that \$45,000 that is not there but depending on the capital improvements there may be an issue. You have done the lights, you have done the irrigation system, the fountains have been upgraded but you probably still have issues with pumps and things like that.

Mr. Welsh stated I think we should draft a letter. Is that legal?

Mr. Perry stated I guess what we need to do is think about a letter that is asking for a contribution because we are not assessing them. We don't have a basis for assessment.

Ms. Buchanan stated I think we can and I think you have correctly identified the two big issues, which are who do we send the letter to and then what do we propose their portion would be, how are we going to allocate it.

Mr. McCommon asked being a public company there is certain information that Consolidated has to provide whether they like it or not but I don't know if this is one of them.

Mr. Perry stated for this type I don't think there would be a basis to do that.

This item was put on hold in order to take the attorney's report out of order.

#### **A. Attorney**

Mr. Perry stated I gave the board members a copy of the email with the document that shows the settlement agreement, the prior draft, the new draft and notes in regard to a number of different concepts included in the agreement.

Ms. Buchanan stated this was prepared in hopes of making your analysis a little easier because conceptually it is a different process. We have moved from having hard deadlines by which a sale could be made and payments would be made to a longer term payment plan process



because the developer is having a hard time getting it sold. I understand he is working diligently to do it, it is not a great market right now and he hasn't had a lot of success.

The total amount due would remain the same starting with the second row that is not an issue. Then what would be the first major difference is when we would have expected \$25,000 on June 30<sup>th</sup> it is proposed to be a payment plan now of \$2,500 a month from the date set forth in the parenthesis or if there is a closing it would be paid in full.

The second big change is that if SW 28 initially wasn't sold by June 30<sup>th</sup> they had an optional extension to September, which would require a \$25,000 payment and that \$25,000 was eliminated from the proposed repayment plan. Instead there is a proposal of \$2,500 a month for the dates as noted or full payment upon closing.

Similar to SW 28 there was a balance due upon the closing of that deal the amount to be repaid has not changed but finally they would tack on at the end \$2,500 a month payment plan. This is to get a steady stream of revenue back to the district for these transactions at an amount that the developer believes he can afford every month and frankly we are also trying to come up with something that alleviates the need to keep coming back to the board to request extensions. Given you are getting paid because the land hasn't sold or you are paid in full because the land has sold. There is no need to revisit the process over and over again to take into account delays or for market conditions.

The last thing I will point out that is a major difference is that initially if the closing for SW 28 hadn't occurred by September 30<sup>th</sup> the district would have been entitled to a deed in lieu of foreclosure for that tract. Since there is no hard deadline that is being converted to an analysis where if the landowner misses two of its monthly payments then the deed in lieu would be delivered to the district.

Leigh is there and she is the one who prepared the revisions to the draft and she is going to be able to address any questions that you have about the agreement itself and I believe Adam and Ashley are on the line to answer any questions you have about the background or substantive matters.

Mr. Leek stated in your table there is something I don't quite understand on the SW 28 assessments the fifth line down it says repayment in a maximum of 19 months and then it says repayment in a maximum of 66 months.

Ms. Buchanan stated that is the amount of time it would take for the balance of the NW 21 and the SW 28 assessments to be paid off. If you look at the timelines in the second column you will realize that the one doesn't start until the ones previous to it has ended.

Mr. McCommon asked is it expected they are going to continue to pay the ongoing taxes and assessments? This is for unpaid from the past.

Mr. Perry responded correct, if they don't pay them they will be subject to tax certificate sale and those have been sold in the past.

Ms. Buchanan stated for clarification these assessments relate back to a point when the district sent the landowner bills and tried to directly collect this. We don't do that anymore now we just put it on the tax bill.

Mr. McCarthy asked does the \$2,500 a month include both NW 21 and SW 28 or is it \$2,500 total?

Ms. Fletcher stated how I structured it was that it would be \$2,500 a month but it is for both but it is going to be applied as follows because under the old agreement we expected that we were going to pay a certain amount and defer the rest to SW 28 so the first ten payments apply to NW 21 then functionally the same thing happens we defer the rest over to SW 28 and it starts being paid against SW 28. Again, we are still trying to deal with that assessment issue in terms of being able to market the property with a reasonable amount of assessments on it. That portion is important because it gives the developer a certainty and they can say this is the total amount at the NW 21 closing we would have to pay. Then knowing the rest of it rolls to SW 28 and would get paid down either by the \$2,500 a month or when SW 28 closed.

Mr. Parks asked so the ten payments would be for the \$25,000 that was supposed to be paid on 6/30/15 and then the \$92,000 5/30/16 37 payments, right? Then SW 28 is paid as follows.

Mr. McCarthy stated the reason this is here is because the property wasn't sold by 6/30/15 and the payment of \$25,000 wasn't paid on 6/30/15.

Ms. Fletcher stated we haven't gotten to 6/30/15 yet but it is reasonable to expect that it won't be paid. What has been paid is the first two payments under the agreement because they had the property under contract, thought it was going to close and what has changed in the intervening time is that the contract has fallen out again.

Mr. McCarthy asked what is the difference between the 6/30 contract and the new ones other than the \$2,500 a month?

Ms. Fletcher stated it just changes the timing of the payments.

Mr. McCarthy stated the 6/30 didn't happen. What if one of these didn't happen?

Ms. Buchanan stated if my chart is misleading in respect with the SW 28 extension payment it is probably just an error in the way I presented it. A balance payment would remain the same just amend the payment how long it takes is the only change.

Mr. McCarthy stated what happens is we are going to back at this table.

Ms. Fletcher stated what this provides is that if they miss two of their \$2,500 payments then they would give you the deed. You already have a mechanism in this new revised version of your remedy so basically you would give a notice and then the deed would be delivered to you, which is the same protection we had in the other version of the agreement it was just based on timing.

Mr. McCarthy stated if we do nothing we will get the deed on September 30<sup>th</sup>.

Mr. McCommon stated I don't think so because we don't have a signed agreement.

Mr. Perry stated Katie and I talked about this and I think she has mentioned it to you to make this a little more palatable to the board is if that deed is signed and held in escrow so that if this doesn't happen as we expect then we have the deed and we can record it.

Mr. McCommon stated I think it is appropriate. We are making quite a concession here.

Mr. Welsh stated we always make concessions that's the problem with this.

Ms. Fletcher stated simply because Adam's time is running very short. Adam, would having the deed in escrow be acceptable to you?

Mr. Krug stated I would like to make a couple points. Thanks for allowing me to join in here. As you know the trouble to sell this parcel is very real and it is largely driven by the assessments that have been allocated to this parcel not to rehash that but you guys know the true-up associated with this parcel is extraordinary and therefore, my ability to sell it for less is not there because every dollar of a potential sale goes to pay all the past due amounts. I want to remind the board of that. Nobody wants to sell this parcel more than I do and nobody wants to have the same thing happen on SW 28. I have spoken to the board and we have made \$35,000 in payments in good faith consistent with the agreement. We lost another contract I am negotiating one for the buyer I believe will perform. Furthermore the collateral if you will for the district has

only improved since the last time we spoke because we paid \$270,000 to pay off the tax certificates so we have worked in good faith to hold up our end of the bargain on that to the board to effectively divide up the payments we previously committed to make. I hope NW 21 is sold in the next 45 days that is a realistic possibility and then all this gets cleaned up and the delay in payments don't matter but this in my view is a very reasonable proposal to try to get us to a sale outcome that is good for everybody including the board including the community and for us. Those are the points I wanted to make. I will be happy to answer any specific questions.

Mr. Parks asked so what is your answer?

Ms. Fletcher stated the question was whether you would be comfortable putting the deed in escrow so in other words we would execute a deed in favor of the district in advance and put it in escrow and in the event of a default the district could access that deed and record it to have their remedy without having to go chase after you to get the deed.

Mr. Krug asked we are talking about SW 28<sup>th</sup>?

Ms. Fletcher responded yes.

Mr. Krug stated as long as I have the ability to secure a default I'm not worried about that. I have way too much money invested in that dirt it is kind of a ridiculous outcome so I'm willing to give that to the board as long as there is reasonable language in there so there is no ----- trigger a deed transfer.

Ms. Fletcher stated the language would be you would have to miss two payments and they would give you a notice of default and if you didn't cure it before the next payment was due then they could exercise the right of the deed. Just remember from a mechanic's standpoint we might to want to do as a corollary to this we might also do a release in advance that the district exercises that also gets held in escrow so that in the event he is able to sell SW 28 that can be released to the closing agent and release your claim so that we don't have any issues because at that closing you would be paying all the full amounts. It would be kind of a balance of mechanics for both sides.

Mr. McCommon stated not having all the history here I clearly understand the dilemma faced by the owner at this point. I have heard this has gone through more than a few drafts and the conversations and I appreciate his good faith in the \$35,000 to date. If we were to accept this agreement conditionally upon the deed discussion when can we expect a signed agreement?

Ms. Fletcher stated I actually have with me a signed version without that deed piece in it because I had him sign what we sent over so it is here and signed but since we need to make that revision we could do that and then have it here within seven days at the latest just from fed exing back and forth or email and fed ex back.

Mr. Welsh stated I guess we need to take a vote.

Mr. McCarthy asked it is \$2,500 a month why not \$5,000 same conditions miss any two payments?

Mr. Perry stated not to take anything from Mr. Krug or counsel I know that Katie and myself had this discussion and she has probably had that discussion with them also in regards to different amounts.

Ms. Buchanan stated we raised the issue and I think at this point it is up to Adam or Leigh to respond.

Mr. Krug stated there is nothing to respond to. We offered a lot of money to pay every month and to extend this agreement. I'm comfortable with \$2,500 a month and believe it is reasonable. Are we negotiating? Is that what I'm hearing?

Ms. Fletcher stated yes that is what I think you are hearing. The proposal was \$5,000 a month instead of \$2,500.

Mr. Krug stated I can't pay that I can give you another \$500 and that gets you \$3,000. That is the extent of our comfort.

Ms. Buchanan stated before you make a motion understand that when you do this the deal that you all agreed on that the motion would be to approve this in substantial form subject to the changes that we are discussing right now. I think everyone is on the same page that we would have a deed in escrow, the agreement will be modified to reflect that at this point the only point of negotiation is the amount or is there still a larger issue that needs to be discussed? If the majority of the board feels like they want to do this then I think we need to move to the \$2,500 or \$3,000 issue. It sounds as though everyone is comfortable with this direction we are just finalizing the details. Is that where we are?

Mr. Leek stated I thought we were past the issue of the escrowing the two documents that we talked about and I was just going to move that we change the amount to \$3,000 a month and go forward with it and accept the agreement. If we are not clear in my motion I will include the \$3,000 a month plus the discussion of putting the deed in escrow and our release in escrow.

On MOTION by Mr. Leek seconded by Mr. Parks with all in favor the agreement was approved in substantial form subject to the deed in lieu along with the district's release to be put in escrow and the amount to be paid monthly be increased to \$3,000.

Mr. Krug stated thank you and I'm going to hang up now but I did hear a discussion about Consolidated Tomoka and transparency with respect to the overpass. I don't know about specifics but I can tell you that I'm about to facilitate a face to face meeting with Consolidated Tomoka, which in my experience has been very productive to reach a reasonable resolution. To the extent that the board is at an impasse I would be happy to do that.

Mr. Perry stated we would appreciate that. You can contact me and we will ask the board to designate a supervisor who can attend with me. We appreciate it if you could see if you can facilitate that and give us some dates. That would be great.

Mr. Krug stated okay.

Mr. Perry stated thank you. Based on what he just said I would look to the board to appoint a supervisor to potentially meet with Consolidated Tomoka and myself.

Mr. Parks stated Tom if you are willing I will make that motion.

Mr. Leek stated I'm willing to do that.

Mr. Perry stated once I get that information I will contact you.

### **Continuation of Consideration of Documents Related to Landscape RFP**

Mr. Perry stated let's go back to landscape RFP.

Mr. von der Osten stated it sounds like we are looking at bidding out the existing level of service and a reduced level of service to fall in line if only the district is funding that.

Mr. McCarthy asked do we want a reduced level of service to bid out now?

Mr. von der Osten stated I'm asking.

Ms. Buchanan asked would it be very difficult to have Option A and Option B and have them bid both?

Mr. von der Osten stated no, I have it drafted that way already with an existing level of service and an alternate level of service.

Mr. Welsh stated we are saving some money with the lights.

Mr. von der Osten stated utilities are \$4,000 under budget right now.

Mr. Welsh asked why don't we go with the existing level of service and see how it all works out and see how we are after one year with all the new stuff that is in there. We will have a better view of expenses one year from now.

Mr. von der Osten as far as the community we did go with the alternate last time, which did cut back certain levels and we added a few back in over time as extras such as mowing around the lakes. We decided once it gets waist high it's too tall. If the board would like I can take the level of cuts in a couple areas or if Jamie has any recommendations on any adjustments it would be nice to have them in the proposal and not be an extra.

Mr. Parks asked what about cutting back for sight line purposes? I think we agreed where Jamie cut back the trees.

Mr. von der Osten stated it will include the bid as well as a few more cuts around retention ponds so the weeds don't get so tall. We actually pulled those out of the last one and then we wound up disliking it so much we had him come back and it was an extra. Because it was so tall bush hogging it was a mess.

Mr. Parks asked how long is the term of the contract, three years?

Mr. von der Osten responded yes the way the manual currently reads it is a one-year contract with two one-year renewals. The interchange will stay as is in the scope of work for the RFP and for the community it is either as is, which is currently at a reduced level or reverse back to the 2011 level.

Mr. Welsh sated I would like to go back to the 2011 scope.

Mr. Leek stated especially for any of those things we took out then added back in.

On MOTION by Mr. Leek seconded by Mr. Parks with all in favor the landscaping RFP was approved to include the changes to the evaluation criteria and staff was authorized to bid the contract with the current level of service for the overpass and enhanced service for the rest of the community.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

This item taken earlier in the meeting.

**B. Engineer**

There being none, the next item followed.

**C. Manager**

There being none, the next item followed.

**D. Field Operational Manager**

Mr. von der Osten stated the fountain at the International Golf Drive entry is gone and it is a little less money than the others. We are only replacing the motor not the whole display, which shoots the water up because we are going to match the other side. A pump and motor was \$2,558 and there are two lighting options, the standard halogen, which is \$694 or the LED, which is \$1,186. Since we seem to be migrating towards the LEDs on the other fountains I think long term we are going with the LED route.

On MOTION by Mr. Parks seconded by Mr. Leek with all in favor staff was authorized to repair the fountain with a pump and motor in the amount of \$2,558 and with the LED lighting option in the amount of \$1,186.

Mr. von der Osten stated as an update on the LED lighting the deposit has been paid to Courteaux the fixtures have been ordered they are getting a partial early shipment in about four weeks and will be able to start and by the time the additional lights come in continue without interruption.

**EIGHTH ORDER OF BUSINESS**

**Supervisors Requests and Audience Comments**

Mr. Parks asked are we going to hold off on the letter we talked about Katie sending to Consolidated pending this meeting with Consolidated?

Mr. Perry responded yes but we will still look at the FDOT agreement as far as the minimums go compared to what we currently do out there.

**NINTH ORDER OF BUSINESS**

**Approval of Check Register**



Mr. Perry stated next is approval of the check register that is included in your agenda package and totals \$184,000 and it is a little higher than normal as a result of the payment to Courteaux for \$107,000.

On MOTION by Mr. Welsh seconded by Mr. McCommon with all in favor the check register was approved.

**TENTH ORDER OF BUSINESS**

**Financial Statements as of May 31, 2015**

Mr. Perry stated in section ten are the financial statements including the balance sheet of the district as of May 31, 2015, with the general fund, debt service funds, capital projects and general fixed assets and long term debt. After that is the statement of revenues and expenditures for the general fund as of May 31<sup>st</sup>. We are starting to receive some of the tax certificate sale proceeds so we will update the board in August as to where we are but typically by that time we have received all that we are going to receive for the year. In regards to the administrative expenses you will see that for the most part those track fairly normally. There are a couple items over budget and I think you know the reasons why and counsel has been very busy in going through trying to get the agreement resolved with Mr. Krug. Hopefully, we are at the end of the road on that. In regards to field expenses you will see that even though we have \$134,000 budgeted this year we will be spending all of that. Our funding is dependent on what we do spend in there and what we budgeted. On the individual line items there will probably be a change in regards to that as to what we are actually spending but the normal run rates are in the \$90,000 to \$100,000 range in a normal year. After that is the statements community-wide as far as operating expenses and we are pretty much in line other than the irrigation repairs and maintenance that was the effort that was undertaken earlier this year. We will have obviously also in the statements going forward a variance and we will do a budget amendment but it will reflect the LED lighting that we are doing community-side. After that is the debt service statement for the 1999 Bonds, the 1999C Bonds, the 2005 Bonds and the capital funds that are still available in regards to those bonds that are outstanding. Then you have a month-by-month analysis of the revenues and expenditures of the district. At the end you will see the tax receipt schedule, which is about 60% collected through May 21<sup>st</sup>.

**ELEVENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**TWELFTH ORDER OF BUSINESS**

**Next Scheduled Meeting – August 26, 2015 at  
1:00 p.m. @ Holiday Inn**

Mr. Perry stated we don't have a meeting scheduled in July, we have a meeting scheduled August 26, 2015 and that will be our budget meeting and it will be at 1:00 p.m. In the interim I will get with Mr. Leek and hopefully we can meet with Consolidated Tomoka.

Mr. McCommon stated I would like to be notified when this document is signed they promised seven days and I think we should know before our next meeting that has been done.

Ms. Buchanan stated we will do it.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor  
the meeting adjourned at 2:15 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman