

INDIGO  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, January 27, 2016 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
John McCarthy	Assistant Secretary
Donald Parks	Assistant Secretary
Mark McCommon	Assistant secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	Hopping Green & Sams by telephone
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Mr. Fitzpatrick stated I get a lot of questions on the interchange about the non-ad valorem assessments. It is hard for me to understand what they want to know. Maybe the board can go over exactly how that functions.

Mr. Perry stated included in the district budget is a component for the I-95 interchange and as part of the development order years ago with LPGA that interchange was built and some of it was built using funds from DOT and funds from the City of Daytona Beach. There was an agreement signed by the district during that time to basically maintain that interchange. As part of the budget of the district you have the operating costs related to that interchange, which in turn are funded by the residents of the LPGA Community as part of your assessments for operation and maintenance. It doesn't impact your debt service assessment. There are two components to your assessment, one is the annual operating and maintenance of the district facilities and the

second one is the debt service related to the bonds that were issued to construct the infrastructure for the district.

Mr. Fitzpatrick stated there is a rumor that we use to pay half and now we pay for all of it. People have asked what does the maintenance cover.

Mr. Perry stated there was an agreement with Consolidated Tomoka. The original one ran 10 years and the second one was for another approximate 10 year timeframe. They were under no obligation to fund any of that but they did fund half of that cost and that agreement ended last year and they chose not to renew the agreement with the district. Kurt will bring the board up to date in regards to that because we had some efforts to see if we can move that forward with them. The costs are a little over \$100,000 a year and the budget that is on the district's website will show the expenditures related to that interchange. Predominately it is related to the maintenance of the fountains, the lighting, landscaping and irrigation and those are the main cost drivers. We also replace plants and try to maintain that to a standard that the board has looked at in the past.

Mr. Fitzpatrick asked is the maintenance forever?

Mr. Perry responded yes.

Mr. Fitzpatrick stated the other thing that keeps popping up is all the commercial building that is going on plus the other neighborhoods. Everybody else enjoys it for free. What can we do?

Mr. Perry stated you have no leverage to require those other entities to contribute. You can ask them just like we have asked Consolidated Tomoka to continue the funding.

Mr. Fitzpatrick stated maybe we need to go to the city council.

Mr. Perry stated we have an interlocal agreement with the city in regards to this and that is the basis of the funding of this that has occurred over the past 15 to 20 years.

Mr. Mathis stated three or four years ago I attended one of these meetings and it was said by you that the overpass at LPGGA was to be funded by anyone who touched the overpass, that we were as LPGGA at that time funding it primarily because we were the only development out here. You also said the SPCA didn't qualify because it was a state agency. Now we are in a situation where about every minute a large dump truck is going over but we are funding it. It is ruining it and it was shoddily paved, maybe a year or two ago and now we are being asked to pick up all the expense of that. I would like some clarification as to what was said three or four

years ago in the meeting or what is being said now. It seems like you are shifting gears and saying no, it is all of the residents' responsibility. I can go back and read through all of it but tell me what has changed.

Mr. Perry stated I think some of these board members were on the board three or four years ago and I never said that whoever touches that overpass is going to be funding that. The only thing that was in place three to four years ago was the agreement with Consolidated Tomoka and we are not privy to the sub-agreements that they had with other entities. At that point in time, three or four years ago and maybe prior to that Vince Carters came online and we were told from Consolidated that Vince Carters was funding a portion of that. How much they pay, how much their portion is we have no idea. That was their agreement with those other entities. The CDD has no agreement with any other parties outside the district boundaries and we have no mechanism to require them to fund this. We have never portrayed that this district is going to be able to make people that touch and utilize that interchange, fund it.

Mr. McCommon stated one additional point of clarification is that we are only responsible for the maintenance of the grounds. If it needs to be repaved that is not us, those costs are still borne by DOT for repairing the roadway or repaving or anything like that. We take care of the landscaping, fountains and lighting.

Mr. Kilian asked can you give us a rough definition of the boundaries of the district?

Mr. Perry responded the south boundary would be International Speedway Boulevard and LPGA on the west and north. It doesn't cover the Automall type area, that is not included in the district. On the district's website it will have a map.

Mr. Fitzpatrick asked if you quit doing the maintenance like it appears you have on the palm trees who is going to come after you under what grounds? Is it the city?

Mr. Welsh stated that is being addressed by Kurt. The real question comes down to what happens if we cease operation and does it revert back to the city and do we lose all the palm trees the fountains, etc.

Mr. McCommon stated I'm not trying to downplay the amount, we are talking about \$100,000 but that is a very small piece of the total budget and in terms of what your assessment is. A very small amount is hitting your assessment from the tax standpoint. The biggest amount to all of our taxes is the bond repayment and ongoing maintenance, which is mainly our development itself, the common grounds and so forth.

Mr. Welsh stated I think that comes down to between \$4 and \$7 per house per year.

Mr. Perry stated I think it is a little more than that but it is not going to be more then \$30 per year.

A resident asked what is the total budget of the CDD?

Mr. Perry responded the operation and maintenance budget is approximately \$1,059,000 and that includes the \$114,000 for the interchange and in addition you have bond funding and it depends on where you live some parcels are under two bonds and others are only under one but the 1999C Bonds, which everybody pays is \$683,000 and the 2005 Series bonds that are related to the south part of the district the bond debt service is approximately \$1,050,000 a year. There is about \$1.7 million just related to bonds, a little over \$1 million related to O&M so \$100,000 out of the \$2.7 million is related to the interchange.

Mr. Rountree stated as to the palms we have had an extremely weird year of weather, extremely wet most of the summer. To say that is a large undertaking to do those palms would be a serious understatement it takes about 12 men 6 hours with a high reach to do it. The wind cannot be blowing more than 15 mph when we do it for safety factors of the person doing it as well as the cars and traffic underneath with palm fronds coming down. It has been scheduled four different times in the last four months and this was another week it was scheduled that we won't be able to do it again. It is not from neglect, part of what we do depends on mother nature and sometimes she cooperates and sometimes she doesn't. It gets done twice a year.

Mr. Fitzpatrick stated my comment was pointed at maybe let them go and some of the people who enjoy that beauty will get involved.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the November 17, 2015 Meeting**

Mr. Perry stated the next item is approval of the minutes of the November 17, 2015 meeting.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the minutes of the November 17, 2015 meeting were approved.

**FOURTH 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**

Mr. Perry stated I was in contact with G.C. Land representatives on Northwest 21 and the bulk holdings of undeveloped lands within the district. They do not have any update on anything related to that parcel. They are still trying to market it but they have not paid their \$3,000 for December and January so we will be sending them a notice February 1<sup>st</sup>. I will let you know how that transpires.

Mr. Welsh asked how many days from the notice do they have to respond?

Mr. Perry stated it is to the end of the month.

Ms. Buchanan stated that is right, they are due on the 30<sup>th</sup> essentially and the way it works is once they miss two consecutive payments and in this case it is December and January if they don't bring it fully current by February 29<sup>th</sup> then we would be able to go forward under the agreement.

Mr. Parks asked are there penalties for failure to pay on time?

Ms. Buchanan responded I don't believe there are penalties.

Mr. McCommon asked have they made mention to us since you had that meeting?

Mr. Perry stated I encouraged them to make the payment prior to this meeting or let me know that it was in process and I haven't heard anything.

**D. Field Operational Manager**

Mr. von der Osten stated I will start with the I-95 interchange matter. I brought several documents for the board to review and this is a copy of the application to the Florida Department of Transportation for the grant. I excerpted out of there two pages and this is the estimate of annual maintenance cost that was presented to the Department of Transportation. This is from 1995. The City of Daytona Beach was working with Indigo Development at the time to make the project go forward so the city had to be the applicant. The project presented to the DOT was a \$300,000 landscaping and beautification project of the interchange. They were requesting

matching funds, the city provided \$150,000 and asked the state for \$150,000. The money wasn't really coming from the state it was raised by private sources, the city had access to the funds but it wasn't really coming out of the city general fund it was coming from private sources. Obviously, it was granted and when you read the full document what was applied for was simply landscaping it did not include lighting, it did not include the fountains so as far as this relates to DOT it is landscaping only, no lights and no fountains. That is the \$300,000 project. They describe it, however, as a \$400,000 project and the applicant being the city, states there is another \$100,000 committed by private sources for these additional improvements, that is the lighting and fountains. Everything relating to lighting and fountains is between the city and the CDD. Any commitments to DOT was landscaping related. Basically, the proposal to the DOT was, here is what we are asking for and here is our maintenance plan and it breaks down what the maintenance will be with an estimated annual cost of \$37,000. If you read the scope it does not include mowing, the city agreed to do all the mowing of the area out there. Later on after this approval and it does require some type of maintenance obligation be executed there is an interlocal agreement between the district and the city further describing what the district and the city is responsible for. In section 4 of the interlocal agreement between the district and the city it describes the interchange landscaping description and in that it does include all landscaping, lights, fountains and it states that the city agrees to mowing the 27 cuts per year, the district agrees to maintenance of the interchange landscaping. This is really the document where the district has agreed with the city to maintain the improvements.

Mr. McCommon asked when was this prepared?

Mr. von der Osten responded I believe this was 1995. This maintenance was predicated on what was included in the DOT standard of maintenance, which is substantially less than what we are doing right now. It literally does not include trimming palm trees. It is basically weeding beds and irrigation check once a month.

Mr. Welsh stated then this is not a binding contract.

Mr. Perry stated it is a binding contract it is the interpretation of the level of service.

Mr. von der Osten stated you are not going to get off the hook but the hook is not nearly as big as you think it is.

Mr. McCommon stated at some point in time I'm guessing there was some agreement with Consolidated in conjunction with the CDD to do this maintenance instead of the city. Jamie, I don't know if you have any history of that.

Mr. Rountree stated I think eventually it was ramped up.

Mr. von der Osten stated there is no mention of the contribution to the interchange in any of these documents that was something that was handled after the fact. Over the years the level of maintenance was stepped up to make it look better and better.

Mr. McCommon stated but the city was never doing it.

Mr. von der Osten stated right.

Mr. Welsh stated and it was in conjunction with the Automall. Consolidated Tomoka made an agreement with the Automall, correct? The Automall funded some of this too.

Mr. Perry stated through Consolidated.

Mr. McCommon stated he had sent me some information a few months ago that there was a map that was presented at some point in time that showed all of the other parcels that Consolidated owned or were selling to Vince Carter, the Automall, even down to CVS that they were contributing for Consolidated's portion but it wasn't coming directly to us. I don't know what portion they were paying but they were each paying something to pay for Consolidated's portion although they didn't have any obligation legally to do so to us. What I was questioning at one point in time was if the city had agreed to do this where did it go from the city agreeing to do it to us doing it and us paying for it. That is the part that is gray. At some point in time I'm assuming that happened but we don't seem to have any agreements.

Mr. von der Osten stated what you have to understand is the CDD representatives signing the documents were also representing the developer, Indigo Development. They were developing LPGA at the same time obligating the CDD to the maintenance agreement with the city and it just carried forward. There was no provision as things matured and we get to this point right now, what can we do with this?

Mr. Parks stated I think the second document you gave us says there is an agreement between the CDD and the city for the CDD to maintain.

Mr. Rountree stated the city does not currently mow anything out there. Once upon a time they did, the CDD said this is not acceptable and they hired a company to do it in 1998, I took over ever since. The mowing we do now is strictly around the landscaping. DOT

contractors mow everything that is in the large area so it is not county it is DOT. All of the large expanses of turf are actually mowed by DOT. The only thing that we mow are the things where landscaping has been approved, the center median, around the bunkers and the very ends of our embankment. The mowing aspect of what we do is very small in comparison to the overall job.

Mr. McCommon stated all the planting is where all the cost comes in.

Mr. Rountree stated it is very labor intensive you can't use any equipment it is all done by hand because you are on a 33% grade.

Mr. Parks asked does anyone know when the decision was made to put the marble chips in there?

Mr. Rountree responded I believe it was somewhere around 2000.

Mr. Parks asked was that a CDD decision to do it?

Mr. Rountree responded yes, originally those letters were written with Aztec grass, which was a poor decision because it freezes back in the winter so everything on the north side of the overpass you would lose letters in the winter frost so they decided to do stencils with rock because it was more permanent.

Mr. McCarthy stated it was Consolidated Tomoka and the landowner that developed this area, which includes the CDD. It was Consolidated Tomoka that ran the CDD for the first ten years then they had to start turning it over to the residents. They are the ones who made the interlocal agreements with the different entities. They are the ones that put in place the landscaping, the agreement to pay 50% of the landscaping with the CDD since they were running it. That is the history behind it.

Mr. Parks asked Jim, were you going to set up a meeting with Consolidated?

Mr. von der Osten stated I reached out to them and John Albright referred us to Steve Greathouse and I had a telephone conversation with Steven and basically their position is unchanged they are not going to tell us who was funding or how much, they were still carrying the majority of the costs and their opinion is that their assessments have gone up to a point where it should offset them not funding the interchange.

Mr. McCommon stated from what I have seen in the notes that is not correct, their assessments have not gone up that much.

Mr. von der Osten stated I'm just conveying what they said to me.

Mr. Perry stated there are other parties they probably have a relationship with that when we reallocated the debt and so forth that have had an impact on their assessments.

We recommend that we ask Jamie to price out this type of frequency and scope of services so the board will have an idea of the impact.

Mr. Parks stated I don't mind seeing the price to go to the minimum level but I would be reluctant to not maintain that in its present form because this area is growing rapidly about 80 stores going in the outlet mall, Sam's Club, they are talking about a hotel, Minto is talking about building 3,000 homes to the west and north of us.

Mr. McCarthy asked do you think we should continuing maintaining that?

Mr. Parks stated I don't want to diminish our level of maintenance because it is an attractive feature. I would like to pursue the auto dealership, Vince Carter, the bank and I wouldn't be opposed to looking at that development that is across from LPGA, they are as much a benefactor as LPGA.

Mr. McCommon stated I don't disagree.

Mr. Kilian stated I'm here to listen, I'm not here to represent the Automall but has there been any discussion with the city of the potential of this thing going south? I would think as a gateway to the community they would have a vested interest and would want to either be part of brokering a deal with the surrounding businesses or at least be part of the discussion.

Mr. Perry stated not recently. There were discussions several years back, we met with the city because we had issues with the sidewalks and this was kind of a side issue and because of the actions of the city bearing all the costs of the sidewalks we just let this lie because they were saying no way. That was six years ago.

Mr. von der Osten stated in light of the current proposed development in the area for this board to solicit donations and commitments from multiple businesses seems like a formidable task for the time and resources that we have. I prefer approaching the city and city commissioners first. We are not talking about a tremendous amount of money in the scope of the city budget. Look at the new tax revenue being generated in the immediate area the city might have an obligation to investigate this, they are a party to the agreement. They were the applicant, there are multiple letters in that application from the chamber, committees of the city and LPGA, everybody on how this will not benefit LPGA, all those letters talk about having benefit to the

City of Daytona Beach. If we are talking about \$50,000 to \$70,000 annually it would be much better approaching the city and the commission prior to knocking on doors.

Mr. Perry stated Kurt and I will get with Commissioner Gilliland.

Mr. von der Osten stated we will go on your behalf but at the same time residents talking to city commissioners carry a lot more weight, someone who can actually vote.

Mr. Perry stated we will first see if we can meet with the local representative then see if we can get a meeting with the city manager.

Mr. McCommon stated I don't disagree with what you are saying and I have had a conversation with one of the owners at the Automall in general about this and they were paying Consolidated an amount per year, which wasn't insignificant for them as an ownership group. What I don't think is well known by all of these business owners is that they were paying Consolidated, Consolidated in turn had a commitment to us for that ten year period and now we are going to be bearing the entire cost of it to their benefit. I'm assuming that Consolidated had that agreement with them and shared with them that they were benefiting in some respects for that but that benefit continues and it would be obviously for the other businesses coming in especially the large ones. I'm not saying that changes the approach we want to take but I do think maybe through that meeting that news can be disseminated to those different owners some way.

Mr. Welsh stated those palm trees do present a hazard because if we go to minimum maintenance those palms have to come down because of the fronds coming down on the roadway creates a hazard. That is going to severely impact that overpass if we go to minimum maintenance if the city doesn't work with us on this. Am I correct that the palm trees will have to be removed?

Mr. Rountree responded it depends and I haven't been privy to the document to see what level maintenance that requires. There are certain items that if removed from maintenance you are going to create a safety hazard, palms trees are one, Fakahatchee has to be cut on a regular basis or you lose vision at the intersections where the lights are. There is a certain level of maintenance and I will remind the board and I said it at the last meeting that we have not had an increase in the budget on the overpass for five years and we are currently pretty close to minimum level of maintenance on that overpass.

Mr. Welsh stated plus the cost of pulling the palm trees out would have to be borne by us.

Mr. Welsh moved to designate the chairman, Mr. von der Osten and Mr. Perry to meet with city representatives to establish a funding mechanism to offset the cost to the district of the maintenance of the I-95 interchange and Mr. McCommon seconded the motion.

Mr. Parks asked can you get that done and report back to us by February?

Mr. Perry stated we will try, if they will meet with us we will let you know.

Mr. McCommon stated I would imagine that meeting is going to be more information sharing and gathering because I am confident that many of them will have little or no history with this or that they have an obligation.

On voice vote with all in favor the motion passed.

Mr. Perry stated we will keep the board members informed as to how that progresses.

Mr. von der Osten stated I have one other item. This was an area requested to have landscape maintenance performed on, an area that the CDD does own but we have never performed any maintenance on it. It runs under power lines but there is a funny jog that runs into the Jubilee neighborhood between houses up to a street inside the neighborhood. There are some other common areas in there and the HOA has cleared them out, they have become overgrown, encroaching into yards, fire hazard, the whole nine yards. All the HOA common areas the HOA footed the bill to have cleaned up. The HOA has asked that we go in and clear out our portion. I have a proposal from Rountree for \$2,896 to go in, underbrush, find any drains, clean it up. It is a big mess in there now.

Mr. Parks asked how big of an area are we talking about?

Mr. von der Osten responded probably the size of two lots between the houses.

Mr. Parks asked will there be an annual maintenance?

Mr. von der Osten stated this is more because it has never been done.

Mr. Parks asked could we clean it up and sell it?

Mr. Perry stated you might want to dedicate it to the HOA if they would take it.

A resident stated we did an area very similar to that only a little larger and I had been told through the years that it was conservation area and it turns out that we owned it like you own

this. My question several years ago was could we clean it up because it was a fire hazard. As it turns out in getting it cleaned up there were 10, 12, 14 inches of pine needles on the ground and in dry times it is a fire hazard. This particular one there is a lady who lives on one side of it has been robbed in the last month and she has a niece staying there that is hard of hearing and didn't know people were in there until afterwards. It is a definite hazard.

Mr. von der Osten stated the thought there was they were hiding in the underbrush.

A resident stated it appears they did come in through the brush area.

Mr. McCommon stated it is \$2,896 to do it one time and what would be ongoing and how often?

Mr. Rountree stated revisit it annually and assess it.

Mr. Welsh stated but it wouldn't be \$2,896.

Mr. Rountree stated it depends on how much it grows but it has been growing for 20 years.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the proposal from Rountree in the amount of \$2,896 to clear the CDD owned property in the Jubilee neighborhood was approved.

Mr. von der Osten stated the fountains at the entrance to Champions should be operational next week. Those things are constructed like small swimming pools with gunite shells and floor, the water supply comes from underground through the concrete wall and there is a sump pump and automatic fill valve. The galvanized pipe rusted out, broke off back into the concrete wall. After the fountain company plumber, who told me I needed to get a pool plumber out there and now another plumber is coming back to finish off the new galvanized pipe to get it operational and they are telling me by next week it will be complete.

**FIFTH ORDER OF BUSINESS**

**Supervisors Requests and Audience Comments**

Mr. Cardino stated I am a new member of the homeowners association and I have a concern as a homeowner that the CDD redid all the lighting for those beautiful trees on Champions Drive with LED lights so they are cost efficient. There are no streetlights on Champions Drive. The lights are coming on and go off at different times in every section including Tournament Drive. We discussed it the other day and we would really like to see dusk

to dawn on those particular lights to light those trees. I came home the other day at 11:10 p.m. and all the lights on Champions Drive were off and I came home one day at 4:00 p.m. and they were on. There is no consistency to the lighting. Once again, there are no streetlights there. We have a lot of people traveling that road especially when they leave events from the LPGA Clubhouse that are traveling that road at night. It is really dark there and I would like to see the lights on for an extended period of time, dusk to dawn would be terrific. I don't know what the cost would be with the new LED lights but they definitely need to be coordinated and they definitely need to be on a lot longer than they are.

We do have center medians on Champions Drive, we have a number of cars that have been diverted either by deer or other reasons and have run off onto the medians. I would like the CDD to consider reflectors put on the curbs or some kind of reflective paint so when people are driving through there especially people who are not familiar with the area they can see where those medians start because it is not one straight road. Late at night especially when the lights aren't on there are a lot of critters out there. We really need to make that a safer environment for people who are driving through there. I would like the CDD to consider some kind of reflective material on those center medians, at least on the curvier part as you approach them both ways and if not reflectors some kind of reflective paint and once again the lighting itself. Does this have to be written up?

Mr. Perry stated no.

Mr. Rountree stated we are already in the process, when I send a bill to the CDD for approval for irrigation it will say median no. such and such. Ten or twelve years ago all those medians we had put reflective numbers on, they have slowly but surely come off. Last week I bought all new numbers to go on those medians so in the next week or so you will start seeing median 1 and it will be a gold reflective letter. It identifies the median for our purposes and reflective so a certain amount of that will be going on anyway.

Mr. Cardino asked is that enough to notify a driver that some kind of a large circular area is there. Should we re-address this after you put these up?

Mr. Rountree stated let's put them on first and if it doesn't look like it is enough then we can address it some other way.

Mr. Cardino asked then the lighting.

Mr. von der Osten stated we replaced all the lights but not the timers and I intended to eliminate all the photocells and go to the hard timer because they are conflicting or photocell malfunction. It won't be dusk to dawn it will be dusk to midnight.

Mr. Cardino stated I understand dusk to midnight, I'm a late night person because I'm a performer but I'm telling you that a lot of people leave events at that facility up there and sometimes they run over midnight so I don't know if 2:00 a.m. is an unrealistic request.

Mr. McCommon stated it is possible that maybe the two exits per se but going up Tournament, going out to LPGA headquarters and coming out on Champions maybe they will stay on longer. It may be that we look at some staggered turnoff time for the main areas.

Mr. Parks stated I would eliminate the photocells and go straight to the timers.

Mr. McCarthy stated when you go to the city to talk about the overpass bring up the reflective markers on their islands.

Mr. von der Osten stated in a situation like that I don't think the numbers are going to be sufficient. You run into a situation that it is painted it looks good for about a month then you get tire tracks on it and it fades. I have seen post mounted reflectors behind the curb or a few inches above the curb.

Mr. Parks asked could you investigate the cost and let us know?

Mr. Perry stated the roads are the city's so we will have to get with the city and they might fund it too.

A resident stated I'm an old median constructor and maybe when you have your meeting with the city you could convey a message that there are disgruntled residents and we might want to get a big group of us to a city council meeting and maybe even bring in the press to let the outside people know what is going on here about the interchange. It is time to wake somebody up and there are a lot of picket signs that could be made when that mall opens, they could be made while the mall is being constructed, there are a lot of things we could do.

Mr. Perry stated our meeting with the city is to first inform them and to work with them and not threaten them.

**SIXTH ORDER OF BUSINESS**

**Approval of Check Register**

Mr. Perry stated the next item is approval of the check register and that is in your agenda package, the total is \$113,588.61, included is the November and December invoices for Rountree

so the amount is a little higher than what you normally see on a monthly basis but it is for two months.

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

**SEVENTH ORDER OF BUSINESS**

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

Mr. Perry stated under section seven is the financial statements including the balance sheet as of 12/31/15.

Mr. Welsh asked how are the payments on delinquent properties?

Mr. Perry asked if you will recall what the district has done over the past few years, we do have a large number of parcels that have not paid their debt service assessments so we put on to the tax roll the O&M assessments related to those parcels consistent with prior years payments have not been made so those parcels will go up for tax certificate sale after March 31<sup>st</sup> and the sale typically occurs in the May/June timeframe. We will be receiving receipt money for those tax certificate sales in that timeframe. Currently we are about 50% collected on the roll so half of those have not been paid. We will probably get some additional ones from platted lots and homeowners over the next few months, it might go up to 65% or 70% and the bulk of the remainder will be the tax certificate sales.

You have the operations through December 31<sup>st</sup> and that is for three months. In almost all cases you will see favorable variances and overall we are favorable to budget by about \$48,000. Some of that is related to timing but it is good that we are in that position now.

Then you have the debt service funds for the 1999A Bonds and the 1999C Bonds and Series 2005 Bonds and the board is very familiar other than the 1999A Series those other bonds are in default and that is a result of the G.C. Land being the bulk landowner that has not paid their assessments.

On page 10 you will see the assessment receipt schedule to date and that goes through December 30<sup>th</sup>.

Mr. Welsh asked will we have an answer for NW 21 by February's meeting?

Mr. Perry responded our next scheduled meeting is March 23<sup>rd</sup> we don't have one scheduled for February.

Mr. Welsh asked can we make it?

Mr. Perry stated we can make a meeting schedule for February if you would like or we can notify you of the status of that at the end of the month, whatever you want to do.

Mr. McCommon stated I prefer to get some notification especially since we were going to send them a notice February 1<sup>st</sup> for non-payment and their obligation is to pay by February 29<sup>th</sup> I expect they would respond by then but maybe not and just keep the meeting as is.

Mr. Perry stated in the interim between now and March 23<sup>rd</sup> two things we will let the board know, the first one would be the status of the delinquency with G.C. Land and those parcels and the second thing is after our meeting with the city we will let the board members know what the status of that is and how that went and we will try to schedule that as soon as we can.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

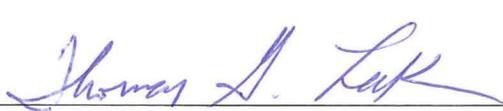
There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Next Scheduled Meeting – March 23, 2016 at 1:00 p.m. @ Holiday Inn**

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the meeting adjourned at 2:04 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman