

INDIGO  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, October 24, 2018 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:

Thomas G. Leek	Chairman
Robert E. Welsh	Vice Chairman
John McCarthy	Assistant Secretary
Donald Parks	Assistant Secretary
Mark McCommon	Assistant secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel by telephone
Kurt von der Osten	Field Operations Manager
Diane Inger	Resident

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Leek called the meeting to order and Mr. Perry called the roll.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Ms. Inger asked how long is it going to take to the finish painting the sign at the entrance to Grand Champion? It has been months.

Mr. von der Osten stated it has been painted but a comment was made that one of the shades were off, which will be addressed. I will look at it but some of it is cast stone, which makes it look like it has been painted and will have a less than new appearance.

Ms. Inger stated sometime in the last month they painted it on the right side, but they haven't painted the center or the left side.

Mr. von der Osten stated I will take a look at it.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the October 2, 2018 Meeting**

On MOTION by Mr. Parks seconded by Mr. Welsh with all in favor the minutes of the October 2, 2018 meeting were approved as presented.

**FOURTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Ms. Buchanan stated things are going smoothly with the American SW survey, but we haven't finalized the true-up agreement and I don't believe the settlement agreement has been executed yet.

Mr. Perry stated that is correct. For the board's information in regard to the true-up if you will remember when we discussed platting of those two parcels, one is almost ready to be platted and is going to be done fairly quickly the other could be another year and a half off depending on timing. Katie is referring to the true-up provisions because there are 464 units, but they think it might only be 400. We are trying to get language incorporated in there that provides on the second parcel if they split it up into two or three parcels there is a true-up provision so that the bondholders don't get caught with a smaller parcel with a lot of units allocated to it. That is the issue we are working through.

Mr. McCommon asked what about the money we agreed to at the last meeting?

Mr. Perry stated once the agreement is signed it will be transferred.

Mr. McCommon asked what is the expected timing of that?

Mr. Perry stated the language is probably close to being ready for that. The bondholders have to approve it. Katie, do you have a feel for timing?

Ms. Buchanan stated my sense is imminent. I don't have a number of days, everybody is working on it and trying to get it across the finish line.

Mr. McCommon asked once it is signed is there a particular period of time before we should expect a check?

Mr. Perry stated I don't recall if there was a time limit in there. My understanding was as soon as the agreement is signed the funds would be transferred. It would probably be within a couple business days at the most.

**B. Engineer**

There being none, the next item followed.

**C. Manager**

Mr. Perry stated on October 15<sup>th</sup> there was a lawsuit filed against Hayman Wood, CGC Investment, CGC Development and also the Indigo Community Development District and it is in regards to one parcel that has been purchased under a tax deed situation by LFS Properties and that is Carl Lentz and the lawsuit is basically trying to get clear title to that parcel and the parcel does not have any debt or O&M associated with it but it is a sliver on the southwest corner of the district abutting U.S. 92 and LPGA Boulevard. It is described as an easement (right of way). It is not like a full developable parcel.

Mr. McCommon asked you said there is no O&M due or there has never been any O&M?

Mr. Perry stated there never has been.

Mr. McCommon asked then why are we part of the suit?

Mr. Perry stated I think they are looking for any party that might have a claim in regard to it.

Mr. Leek asked what are they trying to accomplish besides clear title?

Mr. Perry stated that is the purpose. They have it by tax deed.

Mr. McCommon asked the other parties are the ones he got the tax deed from?

Mr. Perry stated it came through Volusia County, but the other parties are the original owners of the parcel, Hayman Wood. It is within the CDD boundaries and it was a carved out parcel several years ago as part of an easement.

Mr. Leek asked how will the lawsuit provide them clear title?

Ms. Buchanan stated ultimately what they do is any party to that name would have to assert why they have a lien to the property and the judge would decide whether it is valid or whether it should have been cleared by the tax certificate process.

Mr. Leek stated it appears that we don't have any claim on it.

Ms. Buchanan stated exactly and if that is the case then it would be a matter of reaching out to them and requesting that we be dropped.

Mr. McCommon stated that makes sense but it seems to me that they wouldn't be wanting this parcel if it were only an easement. They are planning on doing something else with it otherwise why go through this process if it was truly only an easement. My concern is that

subsequent to getting ownership they are going to put something on that property that we would consider buildable from an O&M standpoint and it would still remain within the CDD boundary.

Mr. Perry stated it is within the boundary. The boundaries of the district aren't going to change.

Mr. McCommon asked should we try to protect ourselves in that case down the road from something that isn't there today?

Ms. Buchanan stated if they were to build something it would then be subject to O&M assessments and just be a matter of adding it to the O&M tax roll that we adopt every year. Right now it does not have any assessments because we don't think it is developable property.

Mr. McCommon asked do we need to make that clear and are we sure that this lawsuit isn't somehow trying to get out of that as well?

Ms. Buchanan stated it can't. The O&M is imposed every year.

Mr. McCommon stated on this lot there has never been bond or O&M payments.

Mr. Perry stated correct but it has always been designated something other than a developable piece of property. It is no different than another piece of property that we assessed for five single-family units and they put up 40 condos. That changes the dynamic and when the district is formed it has an overlay of all of the lands then there is a master lien for the debt that is put on it and O&M annually renews.

Mr. McCarthy asked how big is the area?

Mr. Perry stated it is several hundred feet and the width varies. I will get a map of what it is and send it to you along with the lawsuit.

Mr. McCarthy stated if it is a small parcel they probably couldn't do much but if they have four or five hundred feet of road frontage maybe they could.

Mr. Perry stated it is irregular.

Mr. Leek stated if they change the status of it we have the right to assess. We can't lose that right.

Mr. McCommon stated as long as in this lawsuit we are not giving that up. I can't believe they would be doing this if they didn't plan on doing something with it.

Mr. Perry stated I imagine they are going to try to sell it to whoever abuts them to give them additional acreage or as a right of way for ingress/egress.

Mr. McCommon stated I just want to make sure we are not giving up a future revenue source.

Mr. von der Osten stated I believe in the 2005 bonds the previous developer referred to that corner as the platinum triangle. It actually consists of two to three fronting parcels that can be aggregated but they ultimately need to be aggregated to create one commercial property.

**D. Field Operational Manager – Review of Entrance Signage**

Mr. von der Osten stated I distributed a proposal for replacement of the incandescent metal lighting at the entrances where the fountains are located from Courteaux Electric along with a specification sheet of all the LED lighting that will be designed to match what is currently in the community on the trees. The reason for this proposal is it is to replace the original electric lighting system on the monuments that is 15 to 20 years old and over half of them are not functioning right now and what is functioning is causing issues throughout the system.

Mr. Parks asked is this to include panels and new wiring?

Mr. von der Osten stated any wiring would be additional. We didn't include that because a lot of it still has life left in it and it is underground and until you start digging down and replacing boxes we don't know if it needs to be replaced.

Mr. McCommon asked are there code requirements now that are different than 25 years ago for that specific system? I know underground wiring is in conduit.

Mr. von der Osten stated typically it is and many places have direct burial wiring and that is sometimes why lights will be out for weeks because we are digging and searching for the junction box because it is now covered in grass.

Mr. McCommon stated I'm just trying to find out. I understand that the junction boxes and everything, the breakers are probably a big part of the issue as well, but I want to make it sure it wasn't a lot of wiring problems that we have been having that we are fixing as well because it is not in conduit or something like that.

Mr. von der Osten stated replacing all the underground wiring, direct burial is not included in this proposal.

Mr. McCommon stated I certainly hope that breakers are included here but that doesn't seem to be the case.

Mr. von der Osten stated it is not itemized but I have had several discussions with Courteaux that they would be. I can have this revised.

Mr. Perry stated you can approve this to be inclusive of the boxes.

Mr. McCommon asked should we at least get one more quote? I know we have been using them.

Mr. Perry stated I will defer to Kurt on this but I know that in a lot of our districts right now it is very difficult to get additional quotes on even the smallest of projects. It is very frustrating.

Mr. von der Osten stated I won't say I have a preference but I have a fair knowledge of the system and they are by far the most efficient. They are already out here weekly checking existing lights and replacing warranty items.

Mr. Parks asked do they troubleshoot during the day because I saw lights on yesterday?

Mr. von der Osten stated yes, they turn them on during the day while they are out there checking timers and checking for lights that are out. On the up-lighting of the trees we now have a supply of spares for a little while we did not.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the proposal from Courteaux for the lighting at the entrances around fountains in the amount of \$19,496.25 to be inclusive of the breaker boxes was approved.

Mr. McCommon asked what about the entry signage?

Mr. von der Osten stated I have made it very clear that the board has been asking about the status. I was told three months ago it was in design.

Mr. McCommon stated they are talking about putting in brand new signage and if that does go through and something needs to be done they might not do it because they are putting in new signs anyway.

Mr. von der Osten stated the one thing I have heard is they may be replacing the Grand Champion logo as it is faded.

Mr. McCommon stated we may or may not hear from them anytime soon.

**FIFTH ORDER OF BUSINESS**

**Supervisors Requests and Audience Comments**

Mr. McCarthy asked under normal conditions what time are the lights supposed to turn on/

Mr. von der Osten stated they are on timers and they should be coming on just before dark. I think they turn off about 1:00 a.m. The current mechanical timers we have any time there is a short, a breaker trips, the timers stop. There are more upgraded timers now that have battery backup that does not lose that programming. That causes us problems when you see them come on at 10:00 p.m. and 3:00 p.m. Last time when the time changed we go through and reset everything.

Ms. Inger asked is there any way we can have a light sensor?

Mr. von der Osten stated for years we had it like that and decided it is easier to go through and check the timers than to coordinate a photosensor and timer and keep it in sync. It actually caused more complications.

**SIXTH ORDER OF BUSINESS**

**Approval of Check Register**

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

**SEVENTH ORDER OF BUSINESS**

**Financial Statements as of September 30, 2018**

A copy of the financials was included in the agenda package.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Next Scheduled Meeting – November 28, 2018 at 1:00 p.m. @ Holiday Inn**

Mr. Perry stated we have a meeting scheduled for November 8<sup>th</sup>, which is just over a month away then the next meeting would be January 23<sup>rd</sup>. We don't have a meeting in December and we just had a continued meeting. I was looking at the calendar and I know December is busy, but if we could move the meeting to December 12<sup>th</sup> then that way it is splitting the difference between now and the January 23<sup>rd</sup> meeting. It is a Wednesday at 1:00 p.m. at the Holiday Inn and we have already checked on the room.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the November 28<sup>th</sup> meeting was moved to December 12, 2018 at 1:00 p.m. in the same location.

On MOTION by Mr. Welsh seconded by Mr. McCommon with all in favor the meeting adjourned at 1:30 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman