

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, August 28, 2019 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
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
Jamie Rountree	Team Rountree

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

A resident stated I wasn't at the last meeting and I would like to know what type palm tree was selected. Jamie said his trimmer could only go 60 feet and some had to be replaced. What type palm was called out?

Mr. Perry stated Queens, but I think he is not leaning toward those.

Mr. von der Osten stated I looked at some and he looked at some and I'm not certain Queens are going to be the right way to go.

Mr. Perry stated the Medjools can go as high as \$10,000 per tree and the Sylvester are probably \$2,500 and they look similar they just don't get as tall. Queen palms are messier overall.

Mr. von der Osten stated I asked him to come back with a plan. Right now he couldn't do it anyway.

THIRD ORDER OF BUSINESS

Affidavit of Publication

A copy of the affidavit of publication of the public hearing was included in the agenda package.

FOURTH ORDER OF BUSINESS

Minutes

- A. Approval of the June 26, 2019 Board of Supervisors Meeting**
- B. Acceptance of the June 26, 2019 Audit Committee Meeting**

On MOTION by Mr. McCarthy seconded by Mr. Parks with all in favor the minutes of the June 26, 2019 board meeting were approved as presented.

On MOTION by Mr. Parks seconded by Mr. Leek with all in favor the June 26, 2019 audit committee meeting minutes were accepted.

FIFTH ORDER OF BUSINESS

Acceptance of Engagement Letter with Grau & Associates for the Fiscal Year 2019 Audit

Mr. Perry stated next is acceptance of the engagement letter with Grau & Associates to perform the fiscal year 2019 audit. The engagement letter is consistent with their response to the RFP.

On MOTION by Mr. Parks seconded by Mr. Leek with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2019 audit was accepted.

SIXTH ORDER OF BUSINESS

Public Hearing to Adopt the Budget for Fiscal Year 2020

On MOTION by Mr. Leek seconded by Mr. McCarthy with all in favor the public hearing was opened.

Mr. Perry stated in the general fund we are reducing assessments again this year by approximately 10% for single-family homes, about a \$30 decrease and for unplatted lots there is a different calculation and it is about a \$2 decrease. In regard to administrative costs, those track

similar to what we budgeted last year, the only item that we incurred costs that will be reimbursed this year is in regard to foreclosures and those are legal costs and other staff time. Those are going to be reimbursed by the trustee. Maintenance expenses I-95 we are running below budget this year and a lot of that is the level of service related to the interchange. After that is the field expenses and they track very closely to what we budgeted this year with a couple adjustments mainly for pressure cleaning. After that is Exhibit A the allocation of operating reserves and there is about \$2.6 million in funds available above and beyond what is required for our cash flow purposes, our three months reserve. That doesn't take into account some of the capital items we just approved at the last meeting of \$100,000. There is a narrative of the revenues and expenses then the debt service funds for the 1999A Bonds, 1999C Bonds and the 2005 Bonds and the last page has the assessments allocation and you will see the assessments are going from \$300.93 to \$269.56 for the platted lots for the lands in the north part of the district, which is all your residences and also the platted lots in the south and the unplatted lands go from \$75.44 to \$73.59. I looked at over the last 14 years our assessments in 2007 for platted lots were \$429.59. They trended downward from there until 2013 and that is when we had cash flow issues and issues with the majority landowner not paying their assessments and we had to increase the assessments up to \$558 per platted lot and we have trimmed that back down over the years. In 2016 it was \$382, in 2018 it went down to \$364, last year it went down to \$300.93 and this year it is \$269.56. Just keep in mind the last 14 years this is the lowest you have seen your assessments for operating and maintenance.

Mr. McCommon stated if and when these other subdivisions get put in that will further reduce it because there will be minimal cost in terms of maintaining their properties other than the entrance yet the number of platted lots will increase.

Mr. Perry stated that will for lands in the south area. In the north area even if they are not platted they are getting the full \$269.56 assessment.

Mr. McCommon asked the NW21 is?

Mr. Perry responded yes. We have the methodology when we reallocated the debt we assumed so many lots within that parcel.

Mr. McCommon asked where is the north/south break?

Mr. von der Osten stated International Golf Drive, coming in the entrance by LPGA headquarters.

Mr. Perry stated anything south of that. That parcel we worked out the 464 lots that is in the south. The parcels on the north side are already paying that \$269.

Mr. McCommon stated most of what I'm talking about except for NW 21 are in the south right now.

Mr. Perry stated overall just to keep in mind we have tried to keep trending it downward as best we can and we have been able to hold the costs in line.

Mr. McCarthy asked would you say it was going to be less \$30 this year?

Mr. Perry responded yes, right at \$30 it is going to decrease.

Mr. Leek stated that is good because that is a promise we made when we raised them.

Mr. McCommon stated it went from \$553 to \$269 in seven years, that is significant.

There being no comments or questions from the public the board took the following action.

A. Consideration of Resolution 2019-03 Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2020

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor Resolution 2019-03 was approved.

B. Consideration of Resolution 2019-04 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2020

On MOTION by Mr. Leek seconded by Mr. McCarthy with all in favor Resolution 2019-04 was approved.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the public hearing was closed.

SEVENTH ORDER OF BUSINESS

Discussion of Landscape RFP

Mr. Perry stated I put this on the agenda and I'm not positive we need to do the RFP. I thought we needed to do that for landscaping and went back and looked at my records and I thought our contract was expiring but Kurt seems to think it has not. In an abundance of caution I would like to ask the board to authorize staff to work up the landscape RFP documents if the contract is expiring and we will have those available for the board. I don't expect the documents

will change materially, there are probably going to be additional items we put in there above and beyond the basic costs that we seem to be doing more of such as the tree canopy and things of that nature.

On MOTION by Mr. Leek seconded by Mr. McCarthy with all in favor staff was authorized to prepare the RFP for landscape maintenance for the next meeting if necessary.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated I wanted to let the board know that the foreclosure is still working its way through the court system. There have been no significant changes since the last time we discussed it. The one positive thing that has come out of this process is that some of the certificate holders have been in contact with the trustee's lawyers in hopes of trying to work out some settlement. We are not involved in that because ultimately this is still driven by what the bondholder provides and gives direction for.

Mr. Leek asked is there a timeline?

Ms. Buchanan stated no, the bondholders are not in a hurry because they don't have a solution for what happens once the foreclosure is complete.

Mr. McCommon asked is NW 21 one of those parcels?

Ms. Buchanan stated I don't know that it is.

Mr. Perry stated I don't think that it is; that is the resort parcel.

B. Engineer

There being none, the next item followed.

C. Manager – Discussion of the Meeting Schedule for Fiscal Year 2020

Mr. Perry stated looking ahead next month I don't know for sure if we need an October meeting, but we will make that call closer to the meeting date.

Mr. Leek stated I may be out of the country for the October 23rd meeting if we have it.

Mr. Perry stated it is the September 25th meeting that may be canceled. If we skip September we will meet in October.

On MOTION by Mr. McCarthy seconded by Mr. Leek with all in favor the meetings in fiscal year 2020 will be on the fourth Wednesday of the following months: October, January, March, May, June, August and September with the exception of November 21st being a Thursday.

D. Field Operational Manager

Mr. von der Osten stated the LED landscape lights up and down the boulevard we are in the process of replacing and rebuilding all of them. We had the strobing effect and going out and a number of failures and malfunctions. The manufacturer has agreed to replace all of them. They are taking existing housing and replacing all the internal controls. There was an issue that allowed moisture inside and caused them to fail.

Mr. Leek asked what about the front entrance and timetable?

Mr. von der Osten stated I don't have the timing on the contractor. They are out there now, forming curbs and sidewalks. I will check and get an update.

Mr. Leek asked is anything being done about the sidewalks? I know the city has ground some of the sidewalks in problem areas.

Mr. von der Osten stated that is what they are doing. The areas they ground but it is changing yearly from roots and soils. If we get more pop up let me know the locations.

Mr. Leek stated someone mentioned to me that the sprinklers are turned off.

Mr. von der Osten stated Jamie hasn't mentioned it but I will check. I know the city will come through sometimes and shut them down without telling anybody.

Mr. McCarthy stated the palm trees we replaced the city shut off the water and then they left it off for three or four days and my wife called the city and they said they were going to turn it on the next day.

Mr. von der Osten stated when Jamie was replacing those palm trees he broke a main and I will check with Jamie.

Mr. Perry stated just for the record, the sidewalks are a City of Daytona responsibility. We are just coordinating for the residents anything to do with the maintenance of the sidewalks.

NINTH ORDER OF BUSINESS	Supervisors Comments	Requests	and	Audience
--------------------------------	---------------------------------	-----------------	------------	-----------------

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Approval of Check Register

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

ELEVENTH ORDER OF BUSINESS

Financial Statements as of July 31, 2019

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

TWELFTH ORDER OF BUSINESS

Next Scheduled Meeting – September 25, 2019 at 1:00 p.m. @ Holiday Inn

Mr. Perry stated the next meeting is scheduled for September 25, 2019 at 1:00 p.m. We will notify the board at least 10 days in advance if we think the meeting is not necessary.

On MOTION by Mr. Parks seconded by Mr. McCarthy with all in favor the meeting adjourned at 1:28 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman