

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, August 26, 2020 at 1:00 p.m. via Zoom.

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
Kurt von der Osten	Field Operations Manager
Mark Stehli	Poulos & Bennett
Justin Rowan	MBS Capital Markets

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

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Affidavits of Publication

Copies of the affidavits of publication of the public hearings are included in the agenda package.

FOURTH ORDER OF BUSINESS

Approval of Minutes

- A. **June 24, 2020**
- B. **July 22, 2020 Special Meeting**

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On MOTION by Mr. Parks seconded by Mr. McCarthy with all in favor the minutes of the June 24, 2020 and July 22, 2020 meetings were approved as presented.

FIFTH ORDER OF BUSINESS

Public Hearing to Consider the Imposition of Special Assessments for the Phase 1A Development, Consideration of Resolution 2020-09

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

Mr. Perry stated the public hearing is in regard to the proposed bond that will be issued next year for the Phase 1A development. There is an engineer’s report attached to the resolution and an assessment methodology report that you have previously reviewed. The assessment methodology is based on 87 acres related to that specific development of 195 single-family units comprised of 40-foot and 50-foot product. The construction improvement plan for the bonds is the maximum amount of bonds that can be issued, which is way above what will actually be issued because market conditions govern the amount of debt and assessments that can be carried by individual lots. The construction improvement plan is \$9,957,848 and based upon that we would have bond issue of \$11,745,000. The assessment methodology report: table 1 provides the development program, table 2, the construction improvement program, table 3 the bond related to the construction improvement plan, the allocation of par debt and debt service on table 5 and an assessment roll related to this 195 units.

Ms. Buchanan stated essentially during this hearing we are going to make sure we provide for public comments, give the board the opportunity to follow-up with any questions with Jim on the assessment methodology or the engineer on the engineer’s report and at the conclusion of the questions and answers we would adopt the resolution in your agenda package, which would essentially serve to levy a master assessment lien on the property with the understanding that we would come back and do a supplemental resolution to true up the assessments to actually match any future bond issuance by the board.

Do you have any questions about the substance or content of either the methodology report or the engineer’s report?

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Hearing none, I want to make sure we have on the record some testimony from the engineer and the assessment methodology consultant.

As to the engineer, I have two questions. The first is, in your professional opinion do you believe the estimated costs of the project are reasonable and proper based on your experience?

Mr. Stehli responded yes.

Ms. Buchanan asked do you also believe that there is any reason that the project cannot be completed by the district?

Mr. Stehli responded no.

Ms. Buchanan stated for Jim, do you believe the lands subject to the assessment receive special benefit from the district's improvement program as described in the engineer's report?

Mr. Perry responded yes.

Ms. Buchanan asked would you also agree that the special assessments are reasonably apportioned among the lands subject to the special assessment?

Mr. Perry responded yes.

Ms. Buchanan asked do you agree that the special benefit the land will receive will be equal to or in excess of the maximum special assessment?

Mr. Perry responded yes.

Ms. Buchanan asked do you believe that at this point it is in the best interests of the district that the assessments will be paid and collected in accordance with the methodology?

Mr. Perry responded yes.

Ms. Buchanan stated we have testimony from both the engineer and the assessment methodology consultant. Unless there are further questions, I can walk you through the master assessment resolution that is in your agenda package to adopt today.

Section 1 identifies the authority for the resolution, section 2 makes certain findings based on the steps taken to date as well as the evidence presented at today's hearing, section 3 approves the proposed project, section 4 identifies the estimated cost of the improvements, section 5 serves to actually equalize, approve, confirm and levy the special assessments and section 6 deals with how we will finalize them, section 7 sets forth the payment terms of the special assessments and section 8 identifies the proposed true-up process for the special assessments, section 9 is important because it does note that should any of the property be conveyed to either a government entity or a property owners association that the assessments will be paid off prior to that conveyance

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because the district would not assess those entities, section 10 requires the district to provide an assessment notice to be recorded in the official records of Volusia County so anyone who purchases land subject to the special assessments is aware of the assessments at the point they run title before purchasing their property. Sections 11, 12 and 13 are self-explanatory and administrative in nature.

Do you as the board want to suggest or make any changes to the assessment levels described in the engineer’s report? I see, we don’t. We want to confirm that we don’t have any audience members to comments.

Mr. Perry stated that is correct, however, once the notice did run I received two emails and I had one telephone conversation in regard to questions related to this. The legal advertisements are unusually large and do sometimes cause confusion. Once explained to the residents and the other person who called who was not a resident that this only impacts the 195 lots, they were fine with it. That is the only input we received.

Ms. Buchanan stated we have confirmation for the record, we did provide proper notice with the publication and mailed notice.

Mr. Perry responded correct.

Ms. Buchanan stated unless the board has any comments the next action would be a motion to approve Resolution 2020-09.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor Resolution 2020-09 was approved.

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

SIXTH ORDER OF BUSINESS

Public Hearing to Consider Adoption of the Fiscal Year 2021 Budget

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the public hearing was opened.

Mr. Perry stated you approved a budget a few months back and this is the budget proposed for adoption. There is a decrease in assessments of approximately 12% for the single-family homes

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so there will be a reduction of about \$32. We are looking at utilizing carry forward surplus funds of approximately \$450,000 next year, which will reduce our available cash balances. We expect we will end the year with about \$2.2 to \$2.3 million so I'm not concerned about utilizing those funds to reduce the assessments for this next fiscal year. There have been very few changes to the budget in regard to the expenditures and you will notice this year we have collected more on assessments than what we budgeted. A lot of that is attributable to some old tax certificates being issued and also late payment by certain property owners; those interest carry costs go to the district. I will be sending you another analysis that has what is adopted today and show you the decreases over the last few years in case you have any questions from the public.

Are there any questions by the board?

Mr. McCommon asked due to the fact that we are going to use surplus would it be safe to assume that without that surplus next year, that there would be an increase?

Mr. Perry responded not necessarily. Even utilizing that \$450,000 you probably have a minimum of \$1.2 to \$1.3 million that you can utilize in future years.

Mr. McCommon stated I just wanted to make sure that next year we don't have to take back the decrease we did this year.

There were no comments or questions from the public.

A. Consideration of Resolution 2020-10 Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2021

Mr. Perry stated we will fill in the blanks on the resolution with the amounts in the adopted budget.

On MOTION by Mr. Parks seconded by Mr. Leek with all in favor Resolution 2020-10 was approved.

B. Consideration of Resolution 2020-11 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Perry stated the roll will be attached to the resolution based on the adoption of the budget today and we will file that with the tax collector of Volusia County before September 15th.

On MOTION by Mr. Leek seconded by Mr. McCommon with all in favor Resolution 2020-11 was approved.

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

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated the courts have started to move things forward again, so our office is pushing to complete some motions to dismiss and weed out the parties that are not actively defending their position. We only have one landowner who has created any significant arguments, everyone else is waiting for the courts to run their course.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. Perry stated you have the proposed meeting schedule of what we anticipate for next fiscal year. We can change monthly meetings with about 10-days notice and also if there is any reason it appears that we don't need to meet then we will look to the board to possibly cancel meetings.

On MOTION by Mr. McCommon seconded by Mr. Parks with all in favor the fiscal year 2021 meeting schedule was approved reflecting the following dates: October 28, 2020, November 19, 2020, January 27, 2021, March 24, 2021, May 26, 2021, June 23, 2021, August 25, 2021 and September 22, 2021.

D. Field Operational Manager

Mr. von der Osten stated we are in the middle of typical summer items, working on the algae blooms in the lakes. The only lights we are still having issues with are some of the original and Cortell was out here the end of last week and the beginning of this week going through everything, checking timers, controllers and whatnot. We will have to address any options if we cannot get the original lights operating properly or rebuilt.

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We are closing in on having all four entry fountains totally rebuilt. This is probably the most extensive rebuild we have done since I have been involved here and that is many years. We had to bring in a septic tank service to pump out the sediment build up in the bottom of these. It turned into a much-needed project.

We have a memo from the City of Daytona. They are shutting down their reclaimed water facilities for up to 10-days for some kind of construction project and the issue is going to be that we irrigate all our common areas with reclaimed water. Last month it wouldn't have been an issue with all the rain. We will see how to manage this. Jamie is aware of it and is looking at ways to mitigate any lack of rain while we do not get this reclaimed water.

Mr. McCommon stated I did not go up to physically see it, but I had a neighbor call a few days ago mentioning that one of the signs or walls in the front entranceway was partially knocked down or something like that.

Mr. von der Osten stated yes. I don't know if it was a storm or just age, we did have one of the sign panels fall off the entry wall at Tournament Drive and the precast molding also fell with it. Our sign vendor was able to get the panel up within 24 to 48 hours so on a quick drive by nobody will notice it, but we do have to bring a mason back in to do the concrete work and get the precast concrete molding reinstalled. I had two calls on that the day after it happened. The panel is back up, we just have the trim work and concrete work to do.

Mr. Leek asked what is the timeline on that?

Mr. von der Osten stated given the state of things, I would give it over the next two weeks.

Mr. Welsh asked the houses will not have reclaimed water for 10 days, correct?

Mr. von der Osten responded my understanding is the entire system is being shut down. Bayberry and other neighbors have also been notified of this.

EIGHTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Leek stated this is my last meeting after 9+ years. I will be moving out of the district before the next meeting. It has been good working with all of you; I think we have done a lot of good work; we continually reduced the assessments over those years, and we have done a lot of good projects.

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Mr. McCommon stated related to Tom leaving and this being the end of the fiscal year, the actual election isn't until the first of November. I'm assuming Kevin who is running unopposed would not be able to attend as a member until after the election.

Mr. Perry stated I will get with Tom after this and he can give me an official notice that he is resigning and we will have that on our next meeting agenda because we are scheduled for September 23rd and we will formally accept his resignation at that time and the board can appoint a new supervisor at that meeting. He has to be a registered voter with the State of Florida and reside within the district.

Mr. McCommon stated Kevin Killean has qualified for the position knowing it was going to be open and is running unopposed so would be recommending him.

Mr. Perry stated the board could choose him or someone else. I expect the board would nominate and appoint him at the next meeting.

NINTH ORDER OF BUSINESS

Approval of Check Register

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 September 30, 2020

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

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting – November 23, 2020 at 1:00 p.m. @ Holiday Inn

Mr. Perry stated the next scheduled meeting is November 23, 2020 at 1:00 p.m. and at this point in time it will be a Zoom meeting. The governor's order expires October 1.

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

DocuSigned by:

Jim Perry
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Secretary/Assistant Secretary

DocuSigned by:

John McCarthy
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Chairman/Vice Chairman