

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Thursday, November 19, 2020 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:

John McCarthy	Chairman
Donald Parks	Vice Chairman
Robert E. Welsh	Assistant Secretary
Mark McCommon	Assistant secretary
Kevin Kilian	Assistant Secretary

Also Present were:

James Perry	District Manager
Wes Haber	District Counsel by telephone
Mark Spelling	District Engineer
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

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for Newly Elected Supervisors

Mr. Perry being a notary public of the State of Florida administered the oath of office to Mr. Kilian and Mr. Parks.

B. Consideration of Resolution 2021-01 Designating Officers

Mr. Perry stated after each election we designate officers. Currently Mr. McCarthy is chairman, Mr. Parks is vice chairman, I am secretary and treasurer, Patti Powers in my office is

assistant treasurer, Mr. Lovera in my office is assistant treasurer and Mr. Oliver and Mr. Torres in my office are assistant secretaries and the remaining three supervisors who are not chair or vice chair will be assistant secretaries.

On MOTION by Mr. Kilian seconded by Mr. Welsh with all in favor Resolution 2021-01 was approved reflecting the same slate of officers.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the October 28, 2020 Meeting

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the minutes of the October 28, 2020 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Discussion of District Underwriter

Mr. Perry stated at the last meeting there was some discussion and a request by Lennar to potentially change underwriters. I spoke with them a few days ago and at this point in time they are still evaluating and they do not want to make a formal request to the board at this time. Our next meeting is in January and they should be able to decide what they would like to do by that time.

SIXTH ORDER OF BUSINESS

Ratification of Engagement Letter with Grau & Associates for the Fiscal Year 2020 Audit

Mr. Perry stated next is ratification of the engagement letter with Grau & Associates to perform the fiscal year 2020 audit in the amount of \$5,000. That is consistent with what we budgeted for this year and consistent with their bid.

On MOTION by Mr. McCarthy seconded by Mr. Parks with all in favor the engagement letter with Grau & associates to perform the fiscal year 2020 audit in the amount of \$5,000 was ratified.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Haber stated I checked with Katie before the meeting and she asked me to let the board know there is no update on the litigation.

B. District Engineer

Mr. Spelling stated Lennar had a preconstruction meeting with the city and they are setting one up with the county, they hope to be under construction before the end of the year and they also had some discussion regarding preparing the engineer's report for the Phase 2 portion of the project.

C. District Manager

Mr. Perry stated we started working on the audit schedules with Grau & Associates.

D. Field Operational Manager

Mr. von der Osten stated in the last month there was some flooding on International Golf Drive and Rountree helped pump some water off the road. Since then we had the city cleaning out the drainage system and we will monitor that and make sure it is helping that matter. It is a very low area that we know is subject to flooding.

As far as general maintenance we are doing well right now. All the replacements and money we spent throughout the year on lighting replacement and the fountain rebuilding has helped. We seem to lose a light here and there. We reset the lights for daylight savings time, we keep replacing the timers. Once in a while we get a power outage that throws them off.

Mr. Kilian asked where are we on the paver and pothole situation?

Mr. von der Osten stated the city has the work orders, but I will follow-up. We submitted the documentation online so there is always a record of that.

Mr. McCommon asked are we pretty much done with all the landscaping that we were going to do at the entrance?

Mr. von der Osten stated there is still a little bit at the International Golf Drive entrance, but it is pretty far along. I know he was behind with the rain, but I think we are about to hit a drier season.

Mr. McCommon stated the main entrance off Champions where we changed all the trees, that is done, right.

Mr. Perry stated that is correct.

Mr. Welsh asked are there any delinquents?

Mr. Perry stated everything is on the assessment roll so it is on the tax bills. Those properties that are in default are delinquent on their debt portion. We have been fortunate where we have collected almost all of our O&M assessments, so we are in good shape.

Mr. McCommon stated at one point a few months ago one or more of the buyers were working out, modifying the potential amount due to the bondholders.

Mr. Perry stated correct. Those are still in process. The best scenario is this; all those lands that are in default if they came to an agreement with the bondholders and for example the person who wants to buy the land will pay 70¢ on the dollar and the bondholders accept that so those are now all current, all the residential is current, we would have the opportunity then to refinance those bonds. I'm not going to say that it is likely that is going to happen, but even if we could get to the point where we have 90% not in default you may be able to refinance and get a lower rate because our rates are high for these bonds.

NINTH ORDER OF BUSINESS

Approval of Check Register

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

TENTH ORDER OF BUSINESS

Financial Statements as of October 31, 2020

Mr. Perry stated the financials are included in the agenda package and that is only one month of the operations of the district. In the general fund at the end of October we had approximately \$2.4 million in cash and available funds, our budget on an annual basis is about \$1.1 million for expenditures. We almost have twice what you need to cash flow the district for two years. What we always do with community development districts is we want to have a minimum of about three to four months' worth of cash flow and this district has two years. That is a result of the actions of this board related to those defaulted properties so hopefully, we will be able to continue to reduce assessments going forward and that will eat way into that \$2.2 million.

Mr. McCommon stated we lowered them for this year, and we had projects that were over and above what we anticipated for expenditures. What do you anticipate our cash position will be in 12 months?

Mr. Perry stated I expect it is will probably right at \$2 million.

Mr. McCarthy asked there is no limit on the amount of fund balance you can carry, is there?

Mr. Perry stated no, there is no restriction. The only guideline is the industry standard of practice is to have three to four months at a minimum.

Mr. McCommon stated if there were a sizable project, we wanted to undertake those funds could be used for that.

Mr. Perry stated correct.

Mr. McCommon asked are you recommending that we do something with that?

Mr. Perry stated no, I'm just pointing out where you are because it is a little unusual to be in default on the bonds and to have adequate supplies of cash on hand.

Mr. McCommon asked are there any projects that are not needed but would be nice to have?

Mr. von der Osten stated you can see what is left on that list. We had that list at one time and Jim will have to say what you are allowed to do.

Mr. McCarthy stated there are a number of oak trees that need to be replaced.

Mr. von der Osten stated I can come up with a list, the entry monuments the stucco is cracking and falls off and we patch it, so fresh monuments and signage is something. You might want to look at all that before you start to draw down on the amount.

Mr. McCommon asked is that something we ought to talk about at the January meeting if there are a couple of things that you want to bring to our attention and what they might cost?

Mr. Perry stated we can do that.

ELEVENTH ORDER OF BUSINESS

**Next Scheduled Meeting – Wednesday,
January 27, 2021 at 1:00 p.m. @ Holiday Inn**

Mr. Perry stated the next scheduled meeting is Wednesday, January 27, 2021 at 1:00 p.m. in the same location.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the meeting adjourned at 1:27 p.m.

November 19, 2020

Indigo Community Development District



Secretary/Assistant Secretary



Chairman/Vice Chairman