

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, May 12, 2021 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
Mark McCommon	Vice Chairman
Robert E. Welsh	Assistant Secretary
Kevin Kilian	Assistant Secretary
Ken Workowski	Assistant Secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Ben Kralijev	Lennar Homes
Andre Vidrine	Integrated Development
Jake Stairs	Stone & Associates

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

Public Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Don Parks

On MOTION by Mr. Kilian seconded by Mr. McCommon with all in favor Don Parks' resignation was accepted with regrets.
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B. Consideration of Appointing a New Supervisor to Fill Vacancy

On MOTION by Mr. McCommon seconded by Mr. McCarthy with all in favor Ken Workowski was appointed to fill the unexpired term of office.

C. Oath of Office for Newly Appointed Supervisor

Mr. Perry being a notary public of the State of Florida administered the oath of office to Mr. Workowski.

Mr. Perry stated we will have you sign the oath of office after the meeting. We will also have you fill out a W4 and I9 if you elect to receive compensation of \$200 per meeting. The form 1 statement of financial interests needs to be filled out and filed with the supervisor of elections in Volusia County within 30 days. We have an informational handout of questions and answers as to what a community development district is. We also have Chapter 190, Florida Statutes, which governs community development districts. If you have questions, you can ask district counsel or me and we will get you the information you need. There is a guide to the sunshine amendment, as a public official you are subject to the sunshine amendment and anything that may come before this board you can't discuss with the other supervisors outside of a publicly noticed meeting. You can play golf with them, but you can't say, I don't like the budget that is being proposed. In addition, any communication you have with staff is subject to public records. If you have something that you want to be taken care of or have questions on, make sure what you put in you feel comfortable with before you send it because it is a public record. We will contact you before each meeting to make sure you are available for the meeting; we do need three people here for a quorum and if you don't answer we will keep bugging you until we get three people for quorum. If you keep any of the documents related to the meeting, we ask that you keep them separate from your personal records, if you comingle them, they could be subject to a public records request.

Ms. Buchanan stated if you have any questions reach out to us. Look at the ethics guide, the overarching thing is don't do something that specially benefits you or your family.

D. Consideration of Resolution 2021-02 Designating Officers

Mr. Perry stated next is consideration of Resolution 2021-02 designating officers. Whenever a new supervisor comes on, we do that resolution. Currently, Mr. McCarthy is chairman, Don Parks was vice chair, Mr. Welsh, Mr. McCommon and Mr. Kilian are assistant

secretaries, I am secretary/treasurer, Patti Powers of GMS is assistant secretary, Jim Oliver of GMS is assistant secretary and Ernesto Torres of GMS is an assistant treasurer. Typically, the chair and vice chair are supervisors, and the remaining supervisors are assistant secretaries.

On MOTION by Mr. Kilian seconded by Mr. McCarthy with all in favor Resolution 2021-02 was approved reflecting Mark McCommon as vice chair, Ken Workowski as assistant secretary and the remaining officers remain the same.

FOURTH ORDER OF BUSINESS

Financing Matters – Consideration of Bond Counsel Agreement

Mr. Perry stated a copy of the bond counsel agreement with Bryant Miller & Olive was included in the agenda package.

Ms. Buchanan stated I have reviewed this agreement. The last page does note the information we discussed, which is on the last page Bryant Miller & Olive have represented some landowners in connection with workouts and relating to the bonds. Generally, he is in negotiations with the bondholders as compared to the district. The issue as to the bond counsel opinion just relates to the tax-exempt status of the bond it doesn't relate to any of his work with landowners. So, although he has identified it as a potential conflict, we would be agreeing with him to waive that conflict because we don't believe it is going to interfere with his ability to provide an opinion on the tax-exempt status of the bonds. The one thing I will note on his price is it is \$45,000 and that money comes out of the bond proceeds, it is not something that is paid by the district out of its operation and maintenance budget.

On MOTION by Mr. McCommon seconded by Mr. Kilian with all in favor the bond counsel agreement with Bryant Miller Olive, P.A. was approved.

Ms. Buchanan stated we have been in conversations with the underwriter and the landowner, Lennar, about moving ahead with their bond issuance. Although we are not in a position to start having those documents today, I expect at your board meeting you are going to see some other documents relating to it, specifically a delegation resolution that identifies the parameters of the bond transaction that we would undertake. It gives the underwriter a road map to move forward if the bond is marketed, priced and you come back and approve the final numbers

on behalf of the district. Ben with Lennar is here if you have any questions about the project. We are still on track to move forward with the bond issuance.

Mr. McCommon stated that is between them.

Mr. Buchanan stated you are in the driver’s seat because the district is going to be issuing the bonds, but I do think we are working with them to accommodate that transaction.

Mr. McCommon stated the timing is up to them.

Ms. Buchanan stated we are taking direction from them.

Mr. Kralijev stated based on the construction progress we are looking at probably 60 – 90 days. We expect to have the area 2 report by the end of this month, and it depends on how much we put in place in the ground so mid to late summer.

Mr. McCommon stated the repayment on those bonds will be from the lands that they sell to a buyer. I did understand from the last meeting that the one maintenance part of that would be our responsibility with any of the ponds and landscaping.

Ms. Buchanan stated you are correct. The district would add that to its operations and maintenance budget. The reality is that the interest rates we are seeing right now are still incredibly low so there is a high incentive for the landowner to get this deal financed.

FIFTH ORDER OF BUSINESS

Approval of the Minutes of the March 24, 2021 Meeting

On MOTION by Mr. McCarthy seconded by Mr. Kilian with all in favor the minutes of the March 24, 2021 meeting were approved as presented.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2021-03 Approving the Proposed Budget for Fiscal Year 2022 and Setting a Public Hearing date for Adoption

Mr. Perry stated next is consideration of Resolution 2021-03 approving the proposed budget and setting the hearing date for adoption of that budget. You have the proposed budget for fiscal year 2022. The process we are doing this year is the same as we have done in the past three to four years. At this point in time, we are proposing a budget that keeps assessments at the same level as last year. As we work through the remainder of this summer because we will be looking for budget adoption in August, we will update these numbers and have pretty much all the tax

certificate revenues that come in and at that time we will determine if we can lower assessments like we have done in the past three to four years and hopefully, we will be able to do that.

In regard to the administrative section, you will see the costs are relatively flat and have been from year to year. Under the maintenance expenses of I-95 again, they are a little bit higher but not that much higher than in previous years. Also, in regard to the maintenance expenses community-wide, those expenses are flat and hardly increase at all. Exhibit A shows that at this time we are projecting almost \$2 million in funds available for the district at the end of this year. You have a short narrative of each of the revenue and expense items and then the 1999A, 1999C and 2005 Bond Series and the last page is the allocation for assessments to platted lots and unplatted lands that are in the south section.

On MOTION by Mr. Welsh seconded by Mr. McCarthy with all in favor Resolution 2021-03 approving the fiscal year 2022 budget and setting the public hearing for August 25, 2021 was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated as an update on the foreclosure litigation, as you know that continues to stall in part because the bondholders don't have a real plan for what to do with the property. The ultimate result of foreclosure is the district takes that property into ownership, but we need a development plan if that were the case. What has happened in the meantime is that one of the most active defendants has entered into negotiations with the trustee and the bondholders for a workout on their piece of property. What I think will ultimately happen is that a portion of the property and the debt would be developed based on whatever numbers that they come to terms with, but I also think there is a component, a piece that the INA Group just doesn't think has the value relating to it and they are going to end up asking that the district accept that property and take direction from the trustee as to when they are ready to develop it. My understanding is it is a smaller piece, and they believe it is mostly wetland so less efficient to develop compared to the uplands. I told them I would have a conversation with the board about whether anyone had any concerns or objections. The reality is if you hold a piece of property in the CDD you are unlikely to have property tax because it is owned by the CDD. You don't have any maintenance costs associated with an undeveloped property. It is going to be a nominal impact on your budget and

your time. We would again request that should the district have to take any action related to that property in connection with the sale or the management of it we would expect the trustee to fund that out of the trust estate. That is my proposal and if you are comfortable with that in a general sense, we would have to paper that and bring it back to you for review but I wanted to take your temperature on it.

Mr. McCommon stated I'm in favor of it, but I want to better understand what parcel we are talking about.

Ms. Buchanan stated what I will do is highlight them on a map and email them to you.

B. District Engineer

There being none, the next item followed.

C. District Manager – Report on the Number of Registered Voters – 1,953

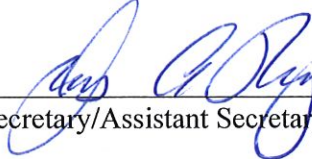
A copy of the letter from the supervisor of elections indicating that there re 1,953 registered voters residing in the district was included in the agenda package.

D. Field Operational Manager

Mr. von der Osten the construction project along Champions Drive is moving along on schedule. The sidewalks and curbs are the majority of the time needed on that project. There have been meetings between the city, the contractor, Corteaux Electric, Team Rountree and me regarding ancillary damage to electrical, lighting and irrigation. Multiple repairs have been performed. We are going back and forth with the city and EMS on who would be responsible for paying for that. There are no as-builts that show where the electrical or irrigation are located and they knew that from the beginning that there are no as-builts, to tread lightly. Most of the damage has been isolated to junction boxes that get pulled up when they put in the sidewalks and irrigation breaks. Some of the irrigation is CDD and some is HOA. We haven't been told that they aren't paying for any repairs, we have been repairing most of the items ourselves. We are all working together fairly well right now.

Mr. Welsh asked do you have any idea what they are going to do with that bridge because it is very hard to get out of here because the traffic is backed up? I went to the meeting and they said maybe five years. Is that true?

On MOTION by Mr. Welsh seconded by Mr. McCarthy with all in favor the meeting adjourned at 1:57 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman