

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, August 25, 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
Robert E. Welsh	Assistant Secretary
Kevin Kilian	Assistant Secretary
Ken Workowski	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
Ken Artin	Bryant Miller Olive by telephone
5 Residents	

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

Mr. Dipiano stated I'm acting president of Jubilee. Greg will present the items we would like to talk about.

Mr. Fitzpatrick stated the board had gotten a letter, prior to me being on the board regarding mulch and sod on the bushes that run along Champion and Tournament. At the time I tried to get in touch with Kurt and didn't succeed so I talked to Sherry, and she assured me that Kurt would get back with me and that never happened. I made several calls to Sherry trying to get to Kurt and that is why I'm here today. The issue is with the bushes and our sprinkler system. The sprinkler system runs around Tournament and down Champion South and that is the Jubilee section of the HOA. The rest of the section is somewhat isolated when it comes to sprinklers. I worked with Jamie ten years, and we had a great relationship and I walked with his maintenance guy once a

month when they did maintenance on our sprinkler system, and he would flag what he had zoned, and we would get our sprinklers redone. On one timeclock we had three zones, we now have one. On another timeclock we were told we needed drip line because the bushes were dying, another timeclock was mounted on our monument.

Mr. Perry stated just for clarification you keep referring to your HOA whereas this is the CDD and that is an HOA issue.

Mr. Rountree stated when that was created the district was there first, the clocks were installed. Who piggybacked on who was before my time. There were timeclocks at the intersection of Jubilee and Carnival that were shared by the CDD and the HOA and that still exists today to a certain extent. When we did the two-wire system a lot of the district's came off and went to the two-wire system and the HOA stayed on the regular one, five-wire system.

Mr. von der Osten stated I remember there was some letter years ago, but it has been operating exactly as it is for the last 8-years with no complaints since that letter. It seems like I'm hearing something has changed, I have no idea why or if it was changed, I was never notified.

Mr. Perry stated we have public comment limited to three minutes and it is not an agenda item and it is going to take longer than three minutes to work through this.

Mr. Fitzgerald asked does the CDD know that we are now intermingled with their relays? We cannot turn certain zones on from our clocks like we used to and maintain our system. If Rountree who happens to be our contractor today was to be gone tomorrow we have a new contractor, our sprinklers don't work, there is going to be boxes that we never were in before that are inclusive with the CDD sprinkler system. If we mess something up, what happens? We can't control our system anymore with the timeclocks that were put in by the developer originally and were there for ten years that I know of. That is why we are here. I don't know how he got permission to take our different zones, move them from our private boxes into your boxes and let your relays control our water.

Mr. von der Osten stated I'm not aware of those being intermingled and it doesn't sound right.

Mr. Rountree stated with the board's permission I will work with Jubilee to resolve this issue and get you an update by the next meeting if not before.

A resident stated the ponds have been terrible since April and you continue to spend money with Lake Doctors. It clears up for a day and is green again. You are spending loads of money with the company that is not doing the job.

Ms. Lewis stated it is causing issues with our fountain because we always have the fountain man out because the algae is clogging the fountain and we keep having to pay invoices for whatever clogs the fountain.

Mr. von der Osten stated the district contract for the last several years with a company that was purchased in the past year by a much larger company, Solitude Lake Management. Communication has started to lessen, and service has started to lessen. After experiencing this, there is a story behind it, it seems like we have had some service issues. There have been a lot of service requests. This is the worst time of the year with the heat and fertilizers and the rain, but there has been a noticeable difference in service, and we can put them on notice to get things back in shape.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the July 28, 2021
Special Meeting**

On MOTION by Mr. Welsh seconded by Mr. McCarthy with all in favor the minutes of the July 28, 2021 special meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

**Consideration of Penalty Relief on 1999C and
2005 Delinquent Bonds for Parcel 5233-00-00-
0140**

Mr. Perry stated this parcel has petitioned for relief from the bondholders similar to the one we discussed last month. The difference in this one is there is no past due operations and maintenance assessments, it is all delinquent interest, penalties and principal and interest on the bonds, and they have agreed in principle to forego a number of dollars.

Mr. Artin stated this will basically resolve the foreclosure issue and the developer is closing on this parcel and three others on September 13th and this one is pretty straight-forward and they are asking for a waiver of the penalty.

Mr. Killian asked are the developers obligated once the bonds are issued even if they don't build?

Mr. Perry stated the short answer is yes, they are obligated. Obviously, if they forego their payment of those assessments more than likely a tax certificate will be issued, and they will go through the same process as we have done on several parcels. Once a tax certificate is issued the payment of that tax certificate will pay for the assessment of the bonds and they will eventually foreclose on that tax certificate and obtain title to the parcel.

Mr. McCarthy asked is the developer passing through the assessments to go to the bonds or the CDD, the assessment part?

Mr. Perry stated the operations and maintenance assessments along with the debt service assessments are part of the certificate and when that certificate is sold a portion of that would come to the district for the O&M so we are made whole, the other portion would go to the bondholder so they are made whole. Subsequently, if a number of these transactions they are paying off the debt associated with land so that portion is going away on some of these transactions others where they are not doing that and if they are building 100 single-family homes, that debt gets passed on to those lot owners.

Mr. McCarthy stated the reason I asked is that I vaguely remember some of the bonds that were in default, one of the reasons was the developer was collecting the assessments and not passing them on.

Mr. Perry stated that does not occur.

Mr. Artin stated so long as the landowner pays the special assessment on an annual basis both the debt service and the O&M, they can continue to hold the land. There is no obligation to build, the only obligation is to pay their tax bill and if they don't do it, you described accurately what happens.

On MOTION by Mr. Killian seconded by Mr. Workowski with all in favor the structure of bond relief for Alliance Real Estate parcel 5233-00-00-0140 was approved in form as discussed.
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Mr. Perry stated the board has copies of a settlement agreement regarding the INA settlement for those parcels. This one is a little different than the one we just discussed in the fact that there are delinquent operations and maintenance on this of approximately \$96,000 that will be paid toward the district once this is resolved. There is a substantial amount of bond interest and penalties that are being waived in a catch-up provision provided and there will be initially some

write-off based upon the potential number of units going to be developed, which is higher than what we currently had anticipated through the reallocation of bonds several years ago. I'm going to ask the board to approve the settlement agreement; at the last meeting they didn't approve it, but they agreed in principle regarding the structure.

Mr. Artin stated the form of agreement basically outlines the payment that the INA Group will be making to the district, and it is basically the agreed upon amount. Here you have the settlement amount that could be applied by the bondholders to actually pay for the number of units that are being written off in the adjustment. Remember the lands were originally assessed at 725 units, going forward it will be 411 units and it is important for the district to always keep the number of units in sync with the amount of debt outstanding. The payment being made by the landowner will hopefully keep everything in sync and going forward the landowner has agreed to pay those assessments based on the new unit count and the new unit counts were basically driven by the wetland delineation on those parcels to analyze how much uplands there were to develop. The developer is ready to go and for the payments to be made on this one, the payments will be made 30-days after the last party signs it and the agreement is favorably considered by the board.

On MOTION by Mr. McCarthy seconded by Mr. Workowski withal in favor the INA settlement agreement was approved.

Mr. Artin stated on behalf of both landowners we appreciate the action taken by the district.

FIFTH ORDER OF BUSINESS

Public Hearing for the Purpose of Adopting the Fiscal Year 2022 Budget

On MOTION by Mr. Workowski seconded by Mr. Welsh with all in favor the public hearing was opened.
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Mr. Perry stated included in the agenda package is the resolution and the budget for the annual appropriations and adopting the budget for fiscal year 2022. A few months ago, you approved the budget based on the financials at that time and in evaluating where we are going to end up for the year we believe we can sustain and addition 9% reduction in operations and maintenance assessments for this next year. That doesn't result in any lesser level of service or any material changes in any of the costs. We do recognize there is probably going to be next year

increase in costs overall, but we think this budget is sufficient for the district. We are still carrying over \$2 million in cash that is available for various projects. This district locally has maintained most of their assets over the years so there is not an immediate need for that, so we are using the cash and bleeding it down somewhat each year to keep assessments going down to reach a certain level. The only thing we didn't take into consideration was the \$96,000 that is coming into play that we should get, and we don't have anything earmarked for that. I know several years ago we went through and looked at different projects. We don't have to act on that today but in discussing things with Kurt we probably ought to dust that off, but one item that could make a big impact for the district and the community is the issue of the pavers. If the city ever does it, it might be 20 years from now. It might be worth pursuing having the district fund it and doing it.

Mr. von der Osten stated it was bid recently and I think it came in high, but the district could consider asphalt as a base then tier up the options with other material. I can contact the paver because they have fresh numbers.

Mr. McCarthy asked could we do it, it is a city street?

Mr. Perry stated I'm sure you could enter into some type of agreement to allow it. I'm not suggesting it, I'm saying it is an option.

Again, there are no material changes other than the reduction in assessments for this next year. The budget also includes the debt service funds for the series 1999C and 2005 Bonds.

Mr. Killian stated the cost of goods have increased.

Mr. Perry stated page 3 will show you that we are a little in excess of about \$2 million of funds available, the minimum criteria for a district is to have working capital for three months and that is \$284,000. This district has almost \$1.9 million in funds that would be utilized for any improvements that we need to make that are material. The only things that are material for this district are the landscaping and stormwater. We don't have amenities or large parks so that is a lot of money for this district to sit idle.

A. Consideration of Resolution 2021-05 Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2022

On MOTION by Mr. McCarthy seconded by Mr. Workowski with all in favor Resolution 2021-05 was approved.
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B. Consideration of Resolution 2021-06 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2022

Mr. Perry stated Resolution 2021-06 imposes the special assessments and we will be submitting that tax roll to the county by September 15th and that will include the reduction as discussed of about 9% operations and maintenance assessments.

On MOTION by Mr. Killian seconded by Mr. Welsh with all in favor Resolution 2021-06 was approved.

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

SIXTH ORDER OF BUSINESS

Consideration of Designating a Regular Meeting Schedule for Fiscal Year 2022

Mr. Perry stated included in your agenda package is the proposed meeting schedule that is somewhat consistent with what we have done in prior years. We do have a couple months where we skip meetings and if there is nothing that requires immediate attention at times, we will cancel a meeting. We can always schedule a special meeting with about ten day's notice.

On MOTION by Mr. Workowski seconded by Mr. Killian with all in favor the fiscal year 2022 meeting schedule reflecting meetings on October 27, 2021, November 17, 2021, January 26, 2022, March 23, 2022, May 25, 2022, June 22, 2022, August 24, 2022 and September 28, 2022 was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. Welsh stated on the pond coming in on the right-hand side before you get to Tournament, the grass is growing way high.

Mr. Rountree stated it can't be cut, it can be sprayed but there is a hole where it is collapsing in. We talked to the city about that several times.

Mr. von der Osten stated I will look into it.

D. Field Operational Manager

Mr. von der Osten stated I spoke with Christine at the city yesterday, she is the project manager for the repaving, and she said it is basically complete, the outstanding item is sod replacement. Right now, there is a problem getting sod and rain. It is on their to do list, they are talking about possibly having Team Rountree take that portion of the contract. I believe there is one manhole they did say they reset the manhole; they had an elevation issue. Other than that, I'm not aware of any punch list items.

I received a request about some drainage along Catriona and some ponds and they thought it was a CDD responsibility and in researching the county maps this is an HOA lake and HOA drainage structure. It is possible they will need to clean out that small pond if sediment has built up to the point where it is not accepting the water from the road. I know the city was out there looking at it also.

At the last meeting we had two homeowners from Centennial here with questions about mowing areas, golf course, CDD, HOA and within that week we had it all clarified of who is responsible for maintaining each parcel. It was a combination of CDD and HOA.

EIGHTH ORDER OF BUSINESS

Supervisors Requests and Public Comments

Mr. Killian asked where does that put us on the bonds?

Mr. Perry stated both sets are still in default, there are still parcels that have not cleaned up.

Mr. Killian stated so none of this forgiveness to be done has remedied any of that.

Mr. Perry stated it has helped a lot. It will help even more if the parcels that they are combining and selling to a developer, once they finalize their plans and start doing site plans for multi-family or commercial or platting for single-family home, that is going to help the district because they will go from unimproved land which is \$67 in O&M per unit to over \$200 per unit and you are going to build up more revenue. If we only have a few parcels in default the opportunity to refinance the bonds becomes more real. Hopefully, it happens before the 1999Cs

mature because you don't have a lot of time left on those. The 1999Cs are over all the lands in the district. I think all of you live on the north side, so your bonds are the 1999Cs, the south end has both the 1999C bonds and the 2005 so they have a little longer to mature. We are in a lot better shape than we were several years ago.

NINTH ORDER OF BUSINESS

Approval of Check Register

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

TENTH ORDER OF BUSINESS

Financial Statements as of July 31, 2021


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

ELEVENTH ORDER OF BUSINESS

**Next Scheduled Meeting – Wednesday,
September 22, 2021 at 1:00 p.m. @ Holiday
Inn**

Mr. Perry stated the next scheduled meeting is September 22, 2021 at 1:00 p.m. in the same location.

On MOTION by Mr. McCarthy seconded by Mr. Welsh with all in favor the meeting adjourned at 1:41 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman