

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, November 17, 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:

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

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

A resident stated I'm new to the area and am not familiar with CDDs and am here to get informed.

THIRD ORDER OF BUSINESS

Ratification of Transfer of Client Matters to Kutak Rock LLP

Mr. Perry stated this was signed by the chair three weeks ago. Hopping Green & Sams is no longer in place and the bulk of the attorneys have moved to Kutak Rock.

On MOTION by Mr. Welsh seconded by Mr. Kilian with all in favor transfer of client matters to Kutak Rock, LLP was ratified.

FOURTH ORDER OF BUSINESS

Consideration of Financing Matters for Phases B1/C1

A. Public Hearing for the Purpose of Imposing Special Assessments

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

Mr. Perry stated this process is similar to what we went through earlier this year, this is on Phases B1 and C1, which are comprised of 405 single-family homes in those two assessment areas.

We have consideration of Resolution 2022-01, and that resolution highlights those two assessment areas and are bolstered by the engineer's report that is included in the package, which provides for the various components of construction related to infrastructure for those two phases.

In addition, we have the assessment methodology report, which builds upon the construction improvement plan and considers if they were 100% financed with bonds, the bond issue itself would be approximately \$20 million and if you keep in mind this is the first phase of this process. The actual bonds issued will be substantially less than that because if they did issue bonds for the \$20 million the annual assessment for a 50-foot lot would be over \$4,100 and the market conditions are not there. The developer will be providing that bridge between the funds available from the bonds and the actual cost of the construction.

Ms. Buchanan asked do you believe that the benefit provided by the project is equal to or exceeds the amount of assessments on the property.

Mr. Perry responded it does.

Ms. Buchanan asked do you believe the assessment is equitably allocated under the methodology?

Ms. Perry responded they are. There are only two product types, a 40-foot lot and 50-foot lot.

Ms. Buchanan asked do you believe the assessment report and engineer's report propose a path that is in the best interests of the district?

Mr. Perry responded it does.

Ms. Buchanan stated you can open it to public comment and after public comment the board can determine whether they want to make any adjustments to the methodology and if they want to move forward with the methodology as written, then we just need a motion to approve the resolution.

Mr. Kilian asked will these properties necessitate a road from LPGA below Memorial Stadium or is that different?

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Mr. Perry stated I think there is an exhibit that has the roadway, Integrated LPGA.

Mr. Kilian stated we approved the infrastructure last time and there was discussion at that time if that entrance created a hazard around that corner and they were going to look into that.

Mr. Perry stated I have not heard. Obviously, all the plans are approved by the city and the state, so line of sight issues is a very big issue.

Mr. von der Osten stated I talked to the developer about that and asked the same question about having an entrance on that curve and once he gets to Phase 2 that entrance becomes right turn only. There will not be any cars turning left. It's a future phase.

There were no comments or questions from the public.

B. Consideration of Resolution 2022-01

On MOTION by Mr. Kilian seconded by Mr. Workowski with all in favor Resolution 2022-01 was approved.

On MOTION by Mr. Welsh seconded by Mr. Kilian with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Approval of the Minutes of the September 22, 2021 Meeting

On MOTION by Mr. Workowski seconded by Mr. Welsh with all in favor the minutes of the September 22, 2021 meeting were approved as presented.

SIXTH ORDER OF BUSINESS

Ratification of Engagement Letter with Grau & Associates for the Fiscal Year 2021 audit

On MOTION by Mr. Kilian seconded by Mr. Welsh with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2021 audit in the amount of \$5,100 was ratified.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

1. Memo re: Legal Notices

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Mr. Perry stated the first memo with regard to legal notices provided some additional relief to certain governmental entities in regard to electronic filing of notices. It really doesn't appear that it will have any benefit for CDDs.

2. Memo re: Prompt Payment Policies

Mr. Perry stated there are some changes in the statute under prompt payment especially under construction contracts. This wouldn't have come into play previously, but now that we do have construction activities it will come into play and Katie's firm has drafted a revision to those prompt payment policies and procedures that we have in place and there is a resolution with blanks in it and we can bring it back with the blanks filled in. Most of the blanks are the name of the district. This format is what they are proposing for all the districts. There are not a lot of changes to it, but it provides for 1% monthly carry to 2% if there are issues in payment of invoices that are rendered.

On MOTION by Mr. Kilian seconded by Mr. Workowski with all in favor Resolution 2022-02 was approved.
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3. Memo re: Public Records Exemptions

Mr. Perry stated the public records exemption provides the ability to have certain information from staff and or the supervisors exempt from public records. It has never been an issue with this district in fact we have had only one issue with it over the last 15 years with another district.

4. Memo re: Stormwater Management Needs Analysis

Mr. Perry stated the stormwater management needs analysis is looking at the current conditions of the stormwater system and the projections for the next 20-years. In conjunction with that we do have a proposal for the district engineer to do that stormwater analysis. The proposed fee is \$15,000, I expect in future years when it is required to be updated the cost should be considerably less than that because this will be the first year it is done and they have to get a lot more documents and have a basis for going forward.

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B. District Engineer – Consideration of Proposal for Preparation of a Stormwater Needs Analysis Report

On MOTION by Mr. Kilian seconded by Mr. Welsh with all in favor the proposal from Singhofen & Associates to prepare a stormwater needs analysis in the amount of \$15,000 was approved.

C. District Manager

There being none, the next item followed.

D. Field Operational Manager

Mr. von der Osten stated the separation of the Jubilee irrigation system is complete. There is no connection between the Jubilee HOA and the CDD. We walked it with the HOA board last week and they are pleased.

Two meetings ago we had residents from Centennial questioning certain areas of responsibility. We met and there are some areas that belong to the CDD. Jamie walked it and we will add that to our list. It’s about \$1,900 a month.

Mr. Rountree stated the only part that makes it expensive is the lake banks so it is a lot of weeding but only about 200 yards of edging. We will have a proposal at the January meeting.

Mr. von der Osten stated we are keeping the flags in the best shape we can.

Mr. Welsh asked have we decided who is going to pay for the Christmas decorations at the main entrance? Last year we had a problem with people who had done it before didn’t want to do it.

Mr. Rountree stated all we did was put up wreaths and didn’t send you a bill. We have so much stuff running electricity that until we can have a separate breaker in the panel let’s stick with the wreaths and next year when we do budgets, we can look at doing it right and hiring a company.

Mr. Perry stated a minimal charge is probably in the \$10,000 to \$12,000 range, some places spend \$25,000 on an entrance.

Mr. von der Osten stated if you want to go with district owned decorations then we need to order those in the summer.

EIGHTH ORDER OF BUSINESS

Supervisors Requests and Public Comments

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Mr. Kilian stated at the last meeting we talked about pavers and what the options were and Kurt was going to see if the city was okay with us funding the improvements.

Mr. von der Osten stated I did have a conversation with them, and it was going to get floated up the chain and I didn't receive a response. I will be happy to check and circulate something through Jim to you.

Mr. Kilian stated given that the city is okay with us doing that, can we get some hard numbers on what it would cost to fix? The city did a great job fixing the sidewalks between the entrance and the clubhouse, but beyond that there are a lot of problems in Greyhawk and some on Perfect Drive. They put a ramp between one piece of concrete and another rather than fix the sidewalk.

Mr. Rountree stated my understanding is they didn't have the funds to do International Golf, Tournament and Champions all at the same time. I imagine they would address those three being the oldest roads before they do the others.

Mr. Kilian asked how are we doing on the bonds, especially those in default, on a steady direction of getting those satisfied?

Mr. Perry stated yes, with the sales that have occurred we are in a lot better shape. I know we had some preliminary discussions with an underwriter regarding looking at refinancing. We will address that in this coming year. As the land turns from being non-compliant phase to paying their bonds and bringing things current, we are in a lot better shape to approach a refinancing. Your 1999C bonds are almost 30-years old and mature at 30-years and the interest rate on them is right at 6% and we are seeing refinancings in the low 3% and less.

Mr. Kilian stated it would be helpful to have those paver options by the next meeting because that is something everybody experiences every morning.

Mr. Perry stated when he gets that information, we will circulate that to the board prior to the meeting.

Mr. von der Osten stated there is a stamped asphalt, actual pavers and just regular asphalt. We will solidify those numbers.

NINTH ORDER OF BUSINESS

Approval of Check Register

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On MOTION by Mr. Kilian seconded by Mr. Welsh with all in favor the check register was approved.

TENTH ORDER OF BUSINESS Financial Statements as of October 31, 2021

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

ELEVENTH ORDER OF BUSINESS Next Scheduled Meeting – January 26, 2022 at 1:00 p.m. @ Holiday Inn

Mr. Perry stated the next scheduled meeting is January 26, 2022 at 1:00 p.m. in the same location.

On MOTION by Mr. Welsh seconded by Mr. Kilian with all in favor the meeting adjourned at 1:35 p.m.

DocuSigned by:
Jim Perry
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Secretary/Assistant Secretary

DocuSigned by:
John McCarthy
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Chairman/Vice Chairman