

MINUTES OF MEETING
INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, May 18, 2022 at 1:00 p.m. in the Fairfield by Marriott Daytona Beach, 1820 Checkered Flag Boulevard, Daytona Beach, Florida.

Present and constituting a quorum were:

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 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 approximately 1:04 p.m. and stated we have done the roll call already. There are no additional staff or supervisors present.

SECOND ORDER OF BUSINESS

Public Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Minutes

A. Approval of the Minutes of the March 23, 2022 Board of Supervisors Meeting

On MOTION by Mr. Workowski seconded by Mr. McCommon with all in favor the minutes of the March 23, 2022 Board of Supervisors meeting were approved as presented.

B. Acceptance of the Minutes of the March 23, 2022 Audit Committee Meeting

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On MOTION by Mr. Workowski seconded by Mr. Welsh with all in favor the minutes of the March 23, 2022 audit committee meeting were accepted.

FOURTH ORDER OF BUSINESS

Acceptance of the Audit Committee's Recommendation

Mr. Perry stated we ask the board to consider approving the audit committee's recommendation of the audit committee ranking.

On MOTION by Mr. Workowski seconded by Mr. Kilian with all in favor the recommendation of the audit committee of Berger Toombs ranked no. 1 at 98 points and Grau & Associates ranked no. 2 at 95 points was accepted.

FIFTH ORDER OF BUSINESS

Acceptance of the Draft Fiscal Year 2021 Audit Report

Mr. Perry stated this is for the year just ended, September 30, 2021. You have the draft audit report, and we don't expect any major changes, there are a few small items we are still working on but it won't change this report. On page 1 is the opinion and it is referred to as a clean opinion, fortunately, the district has had that several years in a row, which means the financials are prepared in conformance and there are no material adjustments. On page 27 is the report on internal controls and they find it is a clean opinion on internal controls other than a comment in the management section. The management letter on page 30 and 31 includes a finding regarding financial condition assessments. This is related to the default on the bonds, and we reply the same every year that we are working through it with the trustee and the bondholders, and that is what we have been doing. If we can refinance these bonds, then that will go away. At the bottom of that page are some findings specific items that we are in conjunction with the rules of the auditor general. There is nothing negative in the report.

On MOTION by Mr. Kilian seconded by Mr. McCommon with all in favor the fiscal year 2021 audit report was accepted, and staff was authorized to transmit the final report to the State of Florida.

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SIXTH ORDER OF BUSINESS

Consideration of Resolution 2022-03 Approving a Proposed Budget for Fiscal Year 2023 and Setting a Public Hearing Date for Adoption

Mr. Perry stated Resolution 2022-03 approves the proposed fiscal year 2023 budget and sets a date for adoption. We kept the assessments at the same level as last year. We are using carry forward surplus to balance the budget and expect we will still have carry forward in surplus this year in excess of what we need to balance the budget. Once you approve this budget, we will adjust things through July and do an adoption in August. For the last several years we have reduced the assessments, I don't think we will be able to do that right now with costs that are increasing. There is one item I wanted to discuss with the board, one of the largest cost drivers is landscaping, stormwater and all of that. We entered into an agreement with Team Rountree in 2019 for five years. There have been a lot of increased costs over the last few years and their contract will finalize September 2023 and we would have to go out to bid at that point in time. I don't know if the board wants to negotiate against themselves, but I have a lot of vendors who are looking for increases in pricing right now and the market is such especially with an agreement that was entered into so many years ago, it might behoove us to negotiate.

Mr. McCommon asked is Rountree asking for an increase?

Mr. Rountree responded I have. Our fuel cost has doubled, and labor costs are up about 35%. On fixed number budgets like we have in our agreement with the district, those numbers are not allowed for because nobody saw that coming.

Mr. McCommon asked do we have any idea with the anticipated request for increase would be percentage wise?

Mr. Rountree stated we can certainly work on that.

Mr. Perry stated he just brought it up to me and I wanted to bring it up to the board because we are experiencing it in other districts, it is not an unreasonable request.

Mr. Rountree stated what we did with all the other customers was a 5% increase. We found that the 5% didn't cover everything but it certainly helped.

Mr. McCommon asked what does a 5% increase represent?

Mr. Perry stated probably around \$25,000.

Mr. McCommon stated I would say pursue it. If you come back to us with that and we entertain an increase to the end of the contract, then we go out to bid at that time.

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Mr. Rountree stated the number he discussed, the \$25,800 is what it comes out to so unless the board needs me to put it into a formal request, I can do that.

Mr. McCommon stated I think to cover ourselves we should have that on paper.

Mr. Perry stated other than that the budget is pretty much standard as you have seen for the past several years. Again, I don't believe we will be able to reduce assessments this year. We do have adequate reserves that can be utilized.

On MOTION by Mr. Workowski seconded by Mr. Killian with all in favor Resolution 2022-23 approving the proposed fiscal year 2023 budget and setting the public hearing for August 24, 2022 was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated informally I do think it is worth letting the board know that we received another offer of settlement from Ken Artin in connection with a new piece of property that was tied up in the foreclosure. Unfortunately, we received it this morning, so I don't know that Jim or I have had the opportunity to review it and aren't able to make a recommendation yet. We will certainly be back with feedback to the board in the next meeting package.

Mr. McCommon asked how many units are they talking about or what section is this?

Ms. Buchanan stated it looks like 37 units and they are offering to pay all the past due principal amount plus all accrued interest in exchange for us decelerating the debt assessments to run with the normal payment schedule and waiving the penalty of the debt assessment as well as waiving the penalties on the O&M assessments in an approximate amount of \$17,000. They would expect us to waive outstanding assessments for O&M of \$7,200 for 2011 and the penalty from that has accrued to \$17,100 and they request that be waived by the district as well. The debt will bring it current and the O&M they would like a waiver of this outstanding amount from 2011 plus related penalties.

Mr. Perry stated we will bring this back to the board next months.

B. District Engineer

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Mr. Perry stated the district engineer has provided a draft of their stormwater report and we will bring that back to the next meeting.

C. District Manager

1. Report on the Number of Registered Voters (1,926)

A copy of the letter from the supervisor of elections indicating there are 1,926 registered voters residing within the district was included in the agenda package.

2. Discussion of Meeting Location for June, August and September Meetings

Mr. Perry stated you have two options because of the work being done at the Holiday Inn, we already booked here for June, and it might be easier to meet here until the end of the fiscal year. They have been accommodating and everything seems to work.

It was the consensus of the board to meet for the balance of the fiscal year at the Marriott Daytona Beach.

D. Field Operational Manager

Mr. von der Osten stated most of the items are related to developer construction. The one farthest along the Preserve Lennar project is south of the stadium, those CDD improvements will be completed in probably 60 days. I'm trying to find out when they expect the CDD will need to start their maintenance obligations and numbers. They will have home closings within 60 days also.

The weir has been completed by the city they just need additional sod for stabilization.

Mr. Kilian asked of the lakes we control do we have liability and do the signs posted relieve us of that liability?

Ms. Buchanan stated I do think those signs help, if it is clear that we are directing people not to fish and they don't have permission to use the district's property in that way, if they continue to do so it helps. It won't protect us from someone filing a lawsuit but at least we can say we are not authorizing it we are discouraging it.

Mr. Welsh asked can we approach them and tell them there is no fishing? I approached a couple already and it almost led to a fight.

Ms. Buchanan stated I normally discourage you from doing that for your own safety.

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Mr. Perry stated we have had a few districts where they hired off duty Fish and Wildlife officers to monitor the lakes and that has proved to be effective, but you are going to have to pay them. They have the ability to arrest people.

Mr. Kilian stated I just wanted to make sure we were covered for liability. It is my understanding that many of the lakes within the complex are the responsibility of the homeowners' association.

The retail parcels on the northeast corner of Tournament Drive and LPGA there are retail outlets and apartments. Will they pay the district?

Mr. Perry responded yes, they will. We don't have commercial in the current budget, we just have lots, but we saw some conceptual plans and when the district was created several years ago there was a concept to have retail, so we have a basis to charge them.

Mr. von der Osten stated we did purchase the underground locator that has been a tremendous help already with all the construction along Champions has probably paid for itself.

Mr. McCommon asked did the discussion happen with the city about the pavers?

Mr. von der Osten stated it is just as we thought and I reached out to the project manager and the DOT, but everybody wants to see the first draft of what they are thinking at the entrances, what is going to happen before agreeing to move forward on anything.

EIGHTH ORDER OF BUSINESS

Supervisors Requests and Public Comments

Mr. Welsh stated this will be my last meeting and I will be moving to South Carolina, but I want to thank everyone I worked with. I enjoyed working with you, it is a very pleasant environment.

Mr. McCommon stated the chair asked me to present to you a plaque in appreciation for your service from 2010 to 2022.

Mr. Perry stated we will accept your resignation effective today. Your seat is open, and the board can nominate a person who resides within the district, is a U.S. citizen and a registered voter.

On MOTION by Mr. Kilian seconded by Mr. Workowski with all in favor Ron Brown was appointed to fill the unexpired term of office.

Mr. Perry stated I will swear you in at the just before the next meeting.

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NINTH ORDER OF BUSINESS

Approval of Check Register

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

TENTH ORDER OF BUSINESS

Financial Statements as of September 30, 2022


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

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting – June 22, 2022 at 1:00 p.m.

Mr. Perry stated the next scheduled meeting is Wednesday, June 22, 2022 at 1:00 p.m. in the same location.

On MOTION by Mr. Kilian seconded by Mr. Workowski with all in favor the meeting adjourned at 1:40 p.m.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman