

MINUTES OF MEETING  
INDIGO EAST  
COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Board of Supervisors of the Indigo East Community Development District was held on Tuesday, May 16, 2017 at 9:15 a.m. at the Circle Square Commons Cultural Center at 8395 S.W. 80<sup>th</sup> Street, Ocala, Florida.

Present and constituting a quorum were:

John Gysen	Chairman
Cynthia LaFrance	Vice Chairman
Frank DiPiero	Assistant Secretary
Harold Brouillard	Assistant Secretary
Terry Solan	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Rachel Wagoner	District Counsel
Phil Hisey	OTOW

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Notice for Meeting**

Mr. Flint: The affidavit for publication for the annual meeting notice was provided for this meeting, May 16, 2017 at 9:00 a.m. in this location.

**FOURTH ORDER OF BUSINESS**

**Approval of Minutes of the February 21, 2017 Meeting**

Mr. Flint: Mr. Solan needs to be included as being in attendance. We will add him accordingly. Were there any other comments on the minutes? If not, we need a motion to approve the minutes.

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor, the minutes of the February 21, 2017 meeting were approved, as amended.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-03 Approving the Proposed Budget for Fiscal Year 2018 and Setting a Public Hearing**

Mr. Flint: Resolution 2017-03 suggests the August 15 meeting as the public hearing.

Mr. Gysen: Is it 2017-03 or 2017-04?

Mr. Flint: It should be 2017-03. I apologize. It is fixed in my agenda. Exhibit A to the Resolution is the proposed budget. It contemplates that the per unit assessment amount would remain the same at \$296,000, and its remained at that level since 2015. Are there any questions on the proposed budget? It's a status quo budget. I believe it covers everything we need from a maintenance and administrative perspective. If there are no questions, we need a motion to approve the Resolution.

On MOTION by Mr. Brouillard, seconded by Mr. DiPiero, with all in favor, Resolution 2017-03 Approving the Proposed Budget for Fiscal Year 2018 and Setting the Public Hearing for August 15, 2017 at 9:00 a.m., at this location was adopted.

**SIXTH ORDER OF BUSINESS**

**Review and Acceptance of Fiscal Year 2016 Audit Report**

Mr. Flint: You selected Grau & Associates to perform the audit. The Letter to Management on Page 28, noted no current or prior year findings and recommendations, and we complied with all of the provisions of the Auditor General of the State of Florida. Are there any questions on the audit? Not hearing any, we need a motion to accept the audit.

On MOTION by Ms. LaFrance, seconded by Mr. Solan, with all in favor, acceptance of the Fiscal Year 2016 Audit Report was approved.

**SEVENTH ORDER OF BUSINESS**

**Ratification of Escrow Agreement with On Top of the World Communities, Inc., and Colen & Wagoner, P.A.**

Mr. Colen: The purpose of this Agreement is that On Top of the World Communities, Inc., intends to do some infrastructure in Indigo East. In order to do that, Marion County is requiring that OTOTWC escrow 120% of the estimated cost to complete the improvements, and we are going to be the Escrow Agent to hold those funds. I'll take any questions that you have.

Mr. Flint: This Escrow Agreement is in lieu of a bond. A lot of times, local governments require you to post a bond for the improvements. In lieu of having a bond, they chose to use an Escrow Agreement, so that those funds are available when they are needed, to actually pay the cost of the improvements.

Ms. Wagoner: Right.

Mr. Colen: What's going to happen is, from what Rachel and I have been told, the improvements will be completed in a year, to a year-and-a-half, so as we receive draw requests, we will disburse the funds. Having said that, there are specific requirements in the Escrow Agreement, as to what we have to see before we can make a disbursement. It's not simply that I receive a phone call or email that says, "We need so much money." What I'm going to do is look at the Escrow Agreement. I have a checklist and I provided that to OTOTWC. If I don't have everything on the checklist, I will not disburse the funds.

Mr. Flint: Part of that process is a certification from the District Engineer.

Mr. Colen: Correct.

Mr. Flint: There are no obligations on the part of the District. My understanding is that we are joining in this Agreement.

Mr. Colen: That is correct.

Mr. Flint: We don't have obligations under the Agreement. Because of timing issues, they needed it done before this meeting, so we are asking the Board to ratify my action in executing the Agreement.

Mr. Colen: I'm not making the estimate; OTOTWC is making the estimate of what 120% of the infrastructure cost will be, and that's what is going to come to me. I will deposit it into more than one bank, simply because FDIC insurance doesn't cover it. I may not go through many banks, but it will certainly happen in more than one bank. As George said, there's no obligation upon Indigo East. Thank you very much!

Mr. Flint: Are there any questions on the agreement? Not hearing any, we need a motion to ratify it.

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, the Escrow Agreement with On Top of the World Communities, Inc., and Colen & Wagoner, P.A. was ratified.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Flint: Do you have anything else, Rachel or Gerald?

Mr. Colen: Nothing.

**B. Engineer**

There not being any, the next item followed.

**C. District Manager’s Report**

**i. Approval of Check Register**

Mr. Flint: You have the Summary of Invoices for the General Fund and payroll, totaling \$91,658.25. Are there any questions on the Check Register? Not hearing any, we need a motion to approve it.

Ms. LaFrance: I would like to ask one question. Are the sinkholes occurring just in the water retention ponds?

Mr. Flint: Those are the ones that I am aware of because those are the only areas that the District has. Are there any other sinkholes outside of those retention areas? I am hearing no. They have been fairly small. Anything that is not covered under the Landscape Maintenance Contract would be reflected in here. We need a motion to approve the Check Register.

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor the Check Register was approved.

**ii. Balance Sheet and Income Statement**

Mr. Flint: You have the Unaudited Financial Statements through March 31. We collected \$192,000 of \$196,000 in maintenance assessments. We are right on track as far as our admin and maintenance, according to our pro-rated expenses to actual. If there are any questions we can discuss those.

**iii. Presentation of Number of Registered Voters – 355**

Mr. Flint: There are 355 registered voters within the District, as of April 15. You can see the letter from the Supervisor of Elections.

**NINTH ORDER OF BUSINESS**

**Other Business**

Mr. Flint: A few items came up at the last meeting. There was question about pressure washing.

Mr. Gysen: That was done. The guy did a great job.

Mr. Flint: I guess there was question about re-sodding an area. Then there was the walkway that you have pictures of. Phil is here to address those issues and answer any questions.

Mr. Hisey: Phil Hisey from OTOTWC. There were three questions; the pressure washing that has been completed and the landscape issue that Mr. Gysen brought up at the last meeting. That was budgeted. I talked with George and we have the money there, the design and the estimate. Everything is done, but right now, we are in a drought, so I don't think it's wise to start putting plants in the ground. I would rather wait until we get into the rainy season before doing that. We have the funds ready to go and everything is set in place. We are just waiting on the rain. The last question was on the sidewalk. We have the sidewalk. That is going to happen with the landscape contractor. They have to cut a grade out to get the sidewalk in. Where are those funds going to come from, to put the sidewalk in, because the landscape budget is particular to the landscaping, and that will be depleted with the project that Mr. Gysen talked about. I didn't know if there were additional funds to cover the grade and concrete work.

Mr. Flint: Do we have a cost estimate?

Mr. Hisey: Not yet. I suspect it's going to be about \$7 per square foot; about 20' to 25' of sidewalk is needed, so you are looking at about \$1,500, for the sidewalk, and then about \$1,500 for the grading and irrigation.

Mr. Flint: The Board has a Capital Projects Fund that has \$95,000 in it. To the extent that the Board wants to do this project, I think you can fund it out of that account.

Mr. Hisey: No problem. We will get started as soon as I deem that we have enough rain, unless you want us to start now.

Mr. DiPiero: The sooner the better.

Mr. Gysen: I would like to go ahead and do it.

Mr. Hisey: So we should go ahead and start these projects now?

Mr. Gysen: Yes.

Mr. Flint: Actually, I misspoke. You have a Capital Projects Fund with \$459,000.

Mr. Gysen: That should cover the additional water that we are going to need for the additional plantings.

Mr. Flint: That would come out of the Operating Budget, and to the extent that there's an ongoing watering cost, we would have to absorb that in the Operating Budget, but I think we can see how that will impact it. If we need to, we can adjust. We have a contingency of \$9,700 in the adopted budget, so I think we can cover it.

Ms. LaFrance: Approximately what date were you thinking of starting? I know you said once there was a steady rain. Are you thinking like two months?

Mr. Hisey: Typically about June 15 is when our rains start, historically. That is my magic day. It could be the 18<sup>th</sup> or the 20<sup>th</sup>, or somewhere around there. That's what I was thinking. I already met with the contractor. I told him to wait because of the dry conditions. We are speaking with the Southwest Florida Water Management District (SWFWMD), but we followed the St. Johns River Water Management District (SJRWMD), due to an Interlocal Agreement back from 2009. SJRWMD officially ordered a water shortage in the District for all 18 Counties. If we don't see rain, they are going to go to one day per week watering. That's something else to consider. They are seeing the future as being pretty dry, so it's just something to consider. While we irrigate new installs every day, the rest of the roadway will go to one day a week watering. Tell your homeowners and neighbors to conserve. Don't wash driveways. Use a blower or a broom. Try to save your water, however you see fit.

Ms. LaFrance: I have a feeling that we should just wait.

Mr. Hisey: There's no sod that's going to handle the amount of shade that's in that area. It's going to be landscaped.

Mr. Gysen: That's even better.

Mr. Hisey: That's what we are going to do but, again, we are going to proceed based on the Board's decision.

Mr. Flint: Is there anything else from the Board under "Other Business"?

Mr. Gysen: I just want to let Earthscapes know that they are doing a great job. They are head and shoulders above the folks we had before.

Mr. Hisey: I appreciate that.

Mr. Flint: It says something that they are here at the meeting, as well.

Mr. Gysen: Yes.

**TENTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, the meeting was adjourned at 9:31 a.m.

  
Secretary / Assistant Secretary

  
Chairman / Vice Chairman