

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 21, 2019 at 9:00 a.m. at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, Florida 34481.

Present and constituting a quorum were:

John Gysen	Chairman
Frank DiPiero	Vice Chairman
Terry Solan	Assistant Secretary
Donald G. Barnes	Assistant Secretary

Also present were:

George Flint	District Manager
Rachel Wagoner	District Counsel
Lynette Vermillion	On Top of The World Communities
Philip Hisey	On Top of The World Communities
Robert Stepp	On Top of The World Communities

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the roll, Mr. Brouillard is absent, the above listed Board Members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This is an opportunity for any members of the public to provide comment to the Board on anything on the agenda or not on the agenda that you'd like to bring to the Board's attention. Hearing none, moving to the next item.

THIRD ORDER OF BUSINESS

Notice of Meeting

Mr. Flint: The notice of the meeting was provided to you in your agenda packet. It was advertised in the Ocala Star Banner.

FOURTH ORDER OF BUSINESS

Organizational Matters

A. Administration of Oath of Office to Newly Appointed Supervisor

Mr. Flint: Mr. DiPiero was elected to the Board but was not at the last meeting, so we need to administer the oath now. Mr. DiPiero, as a citizen of the state of Florida and of the United States of America and as an officer of the Indigo East Community Development District and a recipient of public funds as such officer, do you hereby solemnly swear or affirm that you will support the Constitution of the United States and of the state of Florida?

Mr. DiPiero: I do.

Mr. Flint: If you would print your name at the top and then sign where it says Board Supervisor, I can notarize that for you.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the February 19, 2019 Meeting

Mr. Flint: Did the Board have any comments or corrections to the minutes? Hearing none, is there a motion to approve them?

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, the minutes of the February 19, 2019 meeting, were approved as presented.

SIXTH ORDER OF BUSINESS

Review and Acceptance of Fiscal Year 2018 Audit Report

Mr. Flint: As a governmental entity, the CDD is required to have an annual independent audit. You selected Grau & Associates to perform those services. The audit is required to be filed with the state of Florida by the end of June each year. If you look at page 29, which is the report to management, you will see that there are no current or prior findings in recommendations. They found that we've complied with the provisions of the auditor general of the state of Florida that they are required to review. It is a clean audit. If there are any questions we can discuss them. If not, I'd ask for a motion to accept the audit.

Mr. Barnes: George, I just had a question on the notes on page 21, Note 8 on Developer Transactions. Basically, that's no longer true, is it? If I'm understanding this correctly, this is for the past year and it was true in the past year. For the future, it will no longer be true.

Mr. Flint: Well, once he sells all of his lots. But he still even now owns land in Indigo South. This will go away once he's sold his lots and he's out of the development. It's just a disclosure because of the concentration of assessment revenue. You've got one entity that's paying an excessive. Usually the test is 10%, so if you've got one entity that's paying more than 10% of the revenue, there's some risk there if that one entity does not pay. So, they typically disclose that when you've got a developer. Any other questions? If not, is there a motion to accept the audit and authorize it to be transmitted to the state of Florida?

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, Review and Acceptance of Fiscal year 2018 Audit Report, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-05 Approving the Proposed Fiscal Year 2020 Budget

Mr. Flint: This is the resolution that the Board adopts each year approving a proposed budget and setting the date, place, and time of the public hearing for its final consideration. CDD's under Chapter 190 are required to approve a proposed budget by June 15th of each year. The proposed budget is required to be transmitted to the local government. In this case it would be Marion County. They have the ability to review and comment; they have no approval authority. We have not received any comments on the budgets, but it is a requirement that that be done at least 60 days before your public hearing. We're suggesting the August 20th, 2019 meeting at 9:00 a.m. at this location for the public hearing. Exhibit A to the resolution is the proposed budget, it did go out under separate cover. I gave a heads up at the last meeting that there would be a potential increase in the per unit assessment amount as a result of taking on the maintenance of the Indigo South portion of the development. You can see that the budget on the expense side is relatively flat for administrative expenses. Maintenance expenses are flat with the exception of the right of away maintenance line item. That line item is proposed to increase from \$88,975 to \$158,676. Again, the main reason for that is taking on the landscape maintenance for Indigo South. The residents have had the benefit of all 705 units paying the annual assessments the whole time, even when Indigo South was not developed. So, you had a fixed denominator of 705 units, but the numerator is not going up. The math is requiring that the per unit amount increase. Whenever there is a proposed increase, we are required to do some additional noticing

which also includes a mailed notice to all the homeowners within the District advising them of the proposed increase and the date, place and time of the public hearing. You can always go down from whatever number is in that mailed notice at the public hearing, but you can't go above it. This number is an estimate right now; we believe it may be on the high side. If anything, it may come down a little bit but we're still evaluating that. The developer has engaged a landscape architect to identify the areas that split between the HOA and CDD so we can get a firmer price for maintenance starting October 1. In the absence of that, they've done the best they can to estimate what those costs would be. This is reflected in this document. Any questions on the proposed budget?

Mr. Gysen: The well maintenance, it went from \$10,000 to \$20,000.

Mr. Flint: That number could come down too. We were recommended to set \$10,000 aside a year for each well in the event that maintenance is required, and there are two wells. We're going to review that. If the well motor or pump or a major item has to be replaced, you typically would fund that out of your Capital Reserve entities. So, that \$10,000 per well may come down. The basis for that is \$10,000 per well for any anticipated repairs. Also, we talked about the water expense going away once we put the two wells in, but there are two cul-de-sacs that are landscaped that are still irrigated with utility water versus the well.

Mr. Gysen: In Phase one or South?

Mr. Flint: The North Phase because they weren't able to be tied into the well. We still have at least 2 accounts out there. That's why you went from \$0 to \$2,500 in water expense. A We are going to relook at that number as well going into the public hearing in August. This is a proposed budget; you're not bound by this document or these numbers. The only issue would be if you approve this and we do a mailed notice, you can't go higher. We can always reduce it. Any questions? Is there a motion to approve Resolution 2019-05?

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, the Consideration of Resolution 2019-05 Approving the Proposed Fiscal Year 2020 Budget, was approved.

EIGHTH ORDER OF BUSINESS

Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc.

Mr. Flint: Dewberry is the District's District Engineer and each year we are required under the trust indenture for the bonds to have the Engineer review all of the District's assets and

do an inspection and provide a report annually. This task order is for \$900. It's consistent with what the District has paid in the past. I had to execute it because the report was due to be able to finish the audit. So, I'm asking the Board to ratify that action. Any questions? Is there a motion to ratify?

On MOTION by Mr. Barnes, seconded by Mr. Gysen, with all in favor, Work Authorization 2019-01 with Dewberry Engineers, Inc., was ratified.

NINTH ORDER OF BUSINESS

Appointment of Audit Committee and Chairman

Mr. Flint: As I indicated before when we were talking about the audit, the District is required to have an annual independent audit. You typically bid that out every 3 years. As part of that process the statutes require the Board to approve an Audit Committee. It's really an auditor's selection committee. The committee doesn't necessarily audit the District, but they are charged with bidding out the services and recommending to the Board the independent auditor to be selected. In the past the Board has appointed themselves as the Audit Committee and one of the Board Members as the Chairman. Although, you're not precluded from appointing a non-Board Member if you choose to do that. Really, the role of the Audit Committee is to approve the bid document that's used to bid the services out, the form of the notice that's put in the newspaper and the selection criteria that are used to evaluate the responses. Once those responses come in, the Board reviews them against the evaluation criteria. We've advertised for an Audit Committee meeting immediately after the Board meeting in anticipation that the Board appoints themselves. However, if you appoint someone other than a Board Member, we can modify that if we need to. Any questions or discussion? Is the Board okay with appointing themselves? If so, is there a motion to appoint the Board as the Audit Committee?

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, appointment of the Board of Supervisors as Audit Committee, was approved.

Mr. Flint: Then you need to designate a Chair of the Audit Committee.

Mr. DiPiero: I designate Mr. Gysen.

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, appointment of Mr. Gysen as Audit Committee Chairman, was approved.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. District Manager

i. Approval of Check Register

Mr. Flint: You have the check register in your agenda packet from February 12th through May 14th totaling \$54,401.63. The detailed register is behind the summary if the Board has any questions.

On MOTION by Mr. Solan, seconded by Mr. Barnes, with all in favor, approving the Check Register totaling, \$54,401.63, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through April 30th. If you have any questions, we can discuss those.

iii. Presentation of Number of Registered Voters-687

Mr. Flint: You have a letter from the Supervisor of Elections indicating there are 687 active registered voters within the District as of April 15th. It is a statutory requirement we announce that each year. There's no action required on that.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELTH ORDER OF BUSINESS

Supervisors Requests

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, the meeting was adjourned.



Secretary / Assistant Secretary



Chairman / Vice Chairman