

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, August 17, 2021 at 9:00 a.m. at Circle Square Commons, 8395 SW 80th Street, Ocala, FL.

Present and constituting a quorum were:

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

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Rachel Wagoner	Colen & Wagoner
Kevin Reali	Stearns Waver Miller Weissler

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Five members of the Board were present at the meeting, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This is for people that live in Indigo East. Although it is public comment, so you don't have to live in Indigo East but it would be on issues related to Indigo East. Are there any public comments at this point? Hearing none,

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: The notice of the meeting was provided in the agenda book and was advertised in the Ocala Star Banner as required by statute.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the May 18, 2021 Meeting

Mr. Flint: Those minutes are in your agenda package. Did the Board have any comments or corrections to the minutes? Hearing no changes to the minutes I would ask for a motion to approve them.

On MOTION by Mr. DiPiero, seconded by Ms. LaFrance, with all in favor, the Minutes of the May 18, 2021 Meeting, were approved.

FIFTH ORDER OF BUSINESS

Public Hearing

Mr. Flint: Is there a motion to open the public hearing?

On MOTION by Mr. Brouillard, seconded by Mr. Solan, with all in favor, the Opening of the Public Hearing, was approved.

Mr. Flint: Are there any members of the public for Indigo East that want to provide comments on the proposed budget or assessments? Hearing no comments, we will close the public comment portion of the public hearing and will bring it back to the Board.

A. Consideration of Resolution 2021-07 Adopting the Fiscal Year 2022 Budget and Relating to the Annual Appropriations

Mr. Flint: This budget starts on October 1, 2021. You all approved a proposed budget at your last meeting and set today as the date, place, and time of the public hearing. The general fund has updated the actuals through the end of June for the current year and estimated the last three months of the fiscal year. We did make a couple changes from what you saw at your last meeting. One is the retention pond right of way maintenance. That number has been increased to \$169,162 and that is a result of us being out in the landscape maintenance. We have to increase that cost by 5%. The contractor is asking for a 3-year agreement with a 5% increase each year. There is a 45-day termination provision in there. If we decide after this year that you want to bid it again or switch, we can do that without cause. We solicited bids from 4 landscape companies and Earthscapes is the recommended contractor. They are also the current provider of those services. The other change is in pressure washing. The last version of this we had \$6,500 in there and that would only cover the north part of the CDD and now that we have the south included, we have doubled that number. Of course we will solicit quotes for that before the work is actually done. We did need to increase that. That work is projected to be done in the October-November time

frame. We did a little bit earlier last year in July, normally we would do it in the fall. We are recommending we wait until October-November to do that work. Other than that, the budget is pretty much the same. We have had to use some carry forward surplus to balance the budget with some of these increases which is not a problem in the current year but we will need to monitor that and determine whether there needs to be an adjustment in future years in your per unit annual assessment amount. Any questions or comments from the Board on the resolution or the budget?

Mr. DiPiero: Is this strictly for the general fund or is this for the whole thing here?

Mr. Flint: It is the whole thing. Let me also point out, I handed out a revised page 8 for the debt service fund and the only difference between what you have in your agenda and what I have handed out is that there were two prepayments that were not reflected. The version in your agenda has 187 units and what I handed out has 185 units. There were two additional units that chose to prepay the outstanding debt service. That is the difference there.

Mr. DiPiero: Regarding the capital reserve fund I see you have \$106,000 allotted for resurfacing. Are you going to be resurfacing this year?

Mr. Flint: We will bring it back to the Board at your meeting before we do anything, but we are recommending that the first phase of the resurfacing happen this year. We have identified some road segments that would be the top priority that this number is based on.

Mr. DiPiero: Great, thank you!

Mr. Flint: Any other questions from the Board?

On MOTION by Mr. Gysen, seconded by Mr. Brouillard, with all in favor, Resolution 2021-07 Adopting the Fiscal Year 2022 Budget and Relating to the Annual Appropriations, was approved.

B. Consideration of Resolution 2021-08 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Flint: This resolution imposes the assessments that are associated with the budget you just approved. This budget will be attached to the resolution as well as the assessment roll reflecting the individual parcels within the District and their per unit O&M debt amounts. Are there any questions on the resolution? Hearing none,

On MOTION by Ms. LaFrance, seconded by Mr. Solan, with all in favor, Resolution 2021-08 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, the Closing of the Public Hearing, was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Memorandum Finalizing
Operation and Maintenance of Indigo East**

Mr. Flint: This is a memo that summarizes the actions necessary for the CDD and HOA to clean up ownership of certain parcels so that the HOA is owning and maintaining what they were intended to own and the CDD is owning and maintaining what they are intending to own and maintain. We have Mr. Kevin Reali here with Stearns Weaver Miller and he has been working with the developer, the HOA, and the CDD on cleaning up these issues. He has provided you with the memo in your agenda as well as the slides summarizing the maps.

Mr. Reali: The slides will be here so you can follow along as well. I do have the presentation queued up but our IT has stepped out so I can't bring it onto the screen just yet. For the record for you George, I am Kevin Reali and I work with OTO and have been working with the CDD and the HOA to complete this. The pictures will come up once the AV gentleman comes back. The first few slides are just text so I will walk through those.

Mr. Flint: Are there any residents of Indigo East here in the audience? Hearing none, go ahead.

Mr. Reali: To give an overview, the memo that was put into the notice packet you all have goes over the number of transfers of land, essentially from one entity to another to complete turnover. As George said, the goal is that the entity who maintains the property is the entity that owns the property and that is not the case everywhere right now. That is normal when development in a CDD or HOA is finishing up because the developer owns the property. The developer works with the CDD to develop the property and once that development is done, ownership is transferred to the CDD so they can perpetually maintain the property. On the first slide I say challenges and that is for lack of a better word. This is not overly complicated but it may seem like there are more steps involved than necessary and that is just because there are a lot of entities involved and there will be one auditing, we will talk about that in the early plats. Those are AA, BB and GG in the northern part of Indigo. They had some conflicting language in there so there is some redundant

transfers that we are recommending just so there are no questions on the ownerships in those parcels. What we will be asking for from the Board is to give power to the Chairman to execute four deeds that will come from the Indigo East CDD. The vast majority of the deeds will go to the Indigo East CDD and then to execute a pair of easements that we will talk about. As stated, the goal here is to convey and transfer property. Most of the property in the memo as exhibit A, the vast majority is being transferred to the CDD. This is mostly roadways and drainage areas and open space. All of the DRAs and most of the space within the community itself and the open space, and the DRAs themselves. DRAs are drainage areas and are very important because the CDD does maintain those. There is also the dog park and walking trail in the northern part of Indigo that we are proposing be transferred to the Homeowner's Association. We will come to a map later, but there is a buffer along the external portions of Indigo East that the Master Association would like to maintain so there would be a transfer associated with that. The amenity centers would be transferred to an amenity provider. That is how I will read the case today. The amenity center transfer is one of those transfers that I will talk about. Redundant transfers, the plats for the northern part of Indigo convey certain items to the CDD and certain areas on the plat. Conveyances on a plat are sufficient to transfer ownership for municipalities. They are insufficient for an HOA. For example, if a plat says, "This is dedicated to the Indigo East Owners Association." Without a deed, that hasn't happened. The CDD fits somewhere in the middle because the CDD is quasi-governmental. This isn't creating much of an issue because the parts involved here agree on who is supposed to own what. We didn't want to leave any inconsistencies. Additionally, there was inconsistent language in the plat. The plat would say, for example with the dog park, that it is reserved for ownership for the developer to create it and own it but to also attempt to convey it. What we are proposing is that we have both entities convey the property via a quick claim deed. The way a quick claim deed works is you are only giving up the ownership that you have. If you have an ownership, you are not giving any ownership. It sounds very silly and it is certainly something created by lawyers so I understand it is silly to explain it that way. The idea here being that OTO and the Indigo CDD on certain tracts will both execute a quick claim deed and we will know for sure and there will be no argument on who owns it. There isn't a dispute, and this is why we are proposing it this way because the only person who can decide who owns it would be a court. Since there is no dispute, it seems silly to go to a court and argue when there is no dispute. We are proposing if you all agree, that the proper entities we are suggesting and should own the

property then this is a belt and suspenders approach. I will pause here to see if the Board has any questions. I hope that is sufficient. I am happy to entertain questions before we get into which properties we are talking about. Seeing none, the four deeds that Indigo East CDD will transfer are: the Clubhouse parcel will go to the amenity provider. This is a redundant transfer. There is already a deed that shows the amenity provider owns that. We are going to redundantly transfer that so that in the chain of title it is clear that there is no question that the amenity provider owns it. Tract G, which is the dog park and trail, is also a redundant transfer. This one will go to the Indigo East Owners Association. The next one is the lift station. This one is already a deed that shows as being owned by the Bay Laurel CDD and this is a redundant transfer. The last one, and probably the most important because it is not a redundant transfer, is the external buffer. This is along 80th and 80th and 90th. The southern part is all owned by OTO right now because nothing has been turned over, but in the northern part we are requesting a transfer so the Master Association can own and maintain basically the perimeter landscaping which will benefit the CDD to the extent that the CDD doesn't have to maintain that anymore, but it is something we are requesting that is not a redundant transfer. To go over the four deeds, the first deed is the Clubhouse parcel. This is in the northern portion of Indigo East. It is the portion within that larger open area that the remainder will be owned by the Indigo CDD as drainage retention. The next is tract G, which is the park in the northern part. It is in the Unit GG plat. It is north of the clubhouse parcel. Just a little bit in off of 8th. Lift station number 16 is perhaps the least controversial of anything we are proposing here because there is already a deed that shows Bay Laurel owns this but we are transferring this redundantly. There is a picture in the back of your packet and at the end of the presentation I will pull that up. It shows the balance of the external buffer but as far as the CDD is concerned, the area here is the only area that would be transferred because OTO would be transferring the buffer on the southern portion of Indigo East. In consideration of the transfers it is important to note that there is no consideration in changing hands for any of the parties. The Indigo East CDD will get many more acres of land going in than going out even if there was something going out. One of the things that would be executed along with the deeds just to make sure that all of the parties have given consideration would be an agreement that agrees that Indigo East CDD received more acreage and that the Master HOA consideration is that they want to own that land for the ability to maintain it consistently throughout the community. Shifting gears now to the easements. Are there any questions on any of the transfers? Seeing none. There are two easements

that are being requested as well. The first is tract V1 and it is very near to us here. It is north of 80th and is the drainage retention area that is across the road on the northern part of Indigo East. This was developed as part of Indigo East and the intent here is to execute an easement agreement that will allow On Top of the World to expand that drainage easement at their own cost, and that the goal would be to have a cost share agreement based on volume so what we would do is have the engineers calculate how much volume that the CDD is theoretically sending to the drainage area. That calculation would be based on the engineering that has already been done at Indigo. It wouldn't be new; it would be pulling up that calculation. For whatever development that OTO does just north of this, they would calculate it and then add the two together making them the denominator, then each party would pay the percentage based on their portion that they put into the retention area which would be the numerator. The important thing for the CDD to understand is that the goal that we will work with CDD counsel with is for this to not cost the CDD anything and On Top of the World will bear those expenses. The pro rata rate that On Top of the World would pay to the CDD would work as you all would have your cost based on whatever contract you have based on maintenance in that area, and then that percentage based on the calculation would be sent to On Top of the World who would pay the CDD and it would be a line item of revenue on your budget. I want to make very clear that I can't make an opinion here, but the maintenance cost would increase marginally, you are going to have more area to mow, but the drainage going into the property would likely create a scenario where your maintenance goes up incrementally but the funds coming from On Top of the World should more than cover that so there could be potential for a net gain for the CDD. That would of course depend on whatever the contract was for maintenance. The next easement, and I will go to the picture first and come back, is the entrance on the south of Indigo. This is off of 90th street. The open area there that you all are probably familiar with is that commercial parcel that will be developed at some point. When that gets developed, it is going to require access. What On Top of the World is asking for on the southern part is for an easement agreement to allow construction of that access. How that would be designed would be based on county and FDOT standards. We don't have a design to propose now. There is also potential for 79th Avenue to be extended south to go down towards 200. If that happens, and this is all theoretical, but if that road is extended there would need to be a signal there. The easement agreement that is being asked for would allow development of that area to construct an entrance or access to a commercial parcel and to construct the signal. All of those

things would be dictated by design standards of FDOT and the county however their transportation engineers require it. Rather than asking for a specific construction plan because we don't know what that is going to be, we are asking for an easement to be able to do that at some point in the future. The other thing to note here on the southern part is that eventually and theoretically if there was a commercial parcel developed and theoretically a roadway, at that point the maintenance responsibilities would be transferred to either FDOT or the county, more than likely it would be the county but it is possible it could be FDOT. Once built, the right to maintain that would exist for whatever entity is going to maintain. That is unknown right now but it is more likely than not to be municipality. Again, this would all be at On Top of the World's expense. Like any commercial development or road improvements, it would have to come at the cost of the developer in those situations. It is expected that it will be Marion County to maintain after the intersection is improved but it is possible to be FDOT. In conclusion, what we are asking the Board to do is pass a resolution that will give the Chairman of the Board the ability to execute the deeds and consideration agreement and the easements. This picture on the last page I wanted to put it all together because much of it deals with the northern part of Indigo East, which given the shape of Indigo is lopsided here. Just because of the plats in the north being different than the south and the south doesn't have any conflicting language and On Top of the World owns those. On Top of the World will simply deed all of that area directly to the CDD and we don't have any of the redundant transfers. It is worth showing the B1 area, which is the orange in the bottom left, which is the northwest portion of Indigo East. Of course the pink is the transportation and access easement to the south of Indigo. The green is the buffer that the Master Association would like to maintain.

Mr. DiPiero: So, the green is the patch of land along the side of 80th Avenue?

Mr. Reali: On 80th Avenue and a little on 80th street and 90th street. There is nothing showing on the commercial parcel, but you can look above the pink area and there is a little green there. It is relatively thin just by the way the lots are positioned.

Mr. DiPiero: And everything in green is to be taken care of by the Master Association?

Mr. Reali: The Master Association would own and maintain those yes.

Mr. Solan: Currently you maintain the north entrance all the way down to Hibiscus Park. I don't see a color there.

Mr. Reali: Are you talking about to the east of the entrance?

Mr. Solan: On this side here. On 80th street. Up to the entrance. Currently you are maintaining a section all the way down.

Mr. Reali: The reason that no transfer was proposed there was because the lots go so close to the roadway. If the Board would like that area added I don't think that the Master HOA would have an issue adding that in.

Mr. Flint: The HOA is maintaining that area. That is not proposed to change.

Mr. Reali: Given how thin it is there, it is basically just a shrub that is maintained and it didn't seem necessary to include it. Any other questions? Thank you.

Mr. Flint: Thanks, Kevin. Basically what we would like if the Board is comfortable with the recommended actions, we would like a motion to authorize the chair to execute the referenced deeds and easements that have been described here. Is there a motion to that effect?

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, Authorizing the Chairman to Execute the Referenced Deeds and Easements as described above, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Earthscapes Unlimited, Inc. to Provide Landscape Maintenance Services

Mr. Flint: This would start on October 1st and the price has increased to about 5%, it is \$128,000. They are asking for a 3-year agreement and year two and three would also increase by 5%. They are being hit hard by the change in minimum wage. The difficulty in getting workers is a result of COVID-19 and all of the other issues that are affecting many other employers. We did bid this out, we believe that Earthscapes is the best option for the District. For consistency, it is who the HOA also uses. There is some consistency in the community. Are there any questions on the agreement?

Mr. DiPiero: I have one. On exhibit 'A' where it has the scope of the work, I don't see anything in there where it talks about trimming the hedges. They do take care of that, right?

Mr. Flint: Is Phil here? They do it once a year as part of the scope. If it is not in here, we can make sure it is included.

Mr. DiPiero: I would like to make sure that is put in there.

Mr. Flint: Are there any other comments or questions? Hearing none,

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, the Addendum to Agreement with Earthscapes Unlimited Inc., to Provide Landscape Maintenance Services, Including Hedge Trimming, was approved.

EIGHTH ORDER OF BUSINESS

Ratification of Proposal with Earthscapes Unlimited, Inc. for Well Check Valve Installation

Mr. Flint: There were check valves that had to be replaced. This was related to your irrigation system. This was work that was required in order to get the irrigation system back up and operating. Based on the recommendation of Phillip Hisey, I executed this agreement to get the work completed. It is in the amount of \$2,621.45. Are there any questions on the agreement? If not, is there a motion to ratify that?

On MOTION by Ms. LaFrance, seconded by Mr. DiPiero, with all in favor, the Proposal with Earthscapes Unlimited Inc., for Well Check Valve Installation, was ratified.

NINTH ORDER OF BUSINESS

Ratification of Work Authorization with Dewberry for Annual Engineer’s Report

Mr. Flint: When the District issued bonds, the Master Trust Indenture requires that annually the engineer inspects the District’s infrastructure and reviews the budget and insurance policy to make sure that the infrastructure is being adequately maintained. You can see this agreement in your agenda. Due to the statutory deadline to get the work completed, I executed this and am asking the Board to ratify that action. Again, it is a requirement by your Master Trust Indenture that this be done annually, and it was due by July 1st. I executed the agreement in advance to this meeting and I am asking the Board to ratify that action.

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, the Work Authorization with Dewberry for Annual Engineer’s Report, was ratified.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Gerry, do you have anything from counsel?

Mr. Colen: No, I have nothing further.

Mr. Flint: Are there any questions for the attorney? Hearing none,

B. District Manager

1. Approval of Check Register

Mr. Flint: You have the approval of the Check Register for the general fund and payroll from May 12 through August 9, 2021. Your total is \$43,993.43. Are there any questions on this?

On MOTION by Mr. Gysen, seconded by Mr. Brouillard, with all in favor, the Check Register, totaling \$43,993.43, was approved.

2. Balance Sheet and Income Statement

Mr. Flint: We have also provided you with the annual unaudited financial statements through June 30th. There is no action required by the Board, but if you have any questions, we can discuss those. We are slightly over 100% collected on our on-roll assessments. Our administrative costs are under our prorated budget as well as our maintenance costs are under our prorated budget. Are there any questions on the financials?

3. Approval of Fiscal Year 2022 Meeting Schedule

Mr. Flint: The Board is required to approve an annual meeting schedule. We have prepared a recommended schedule that is consistent with your past practice of meeting in November, February, May, and August at 9:00 a.m. in this location. You can change this if you would like, or if you would like to keep the same practice, a motion to approve this meeting schedule would be in order.

On MOTION by Mr. Solan, seconded by Mr. Gysen, with all in favor, the Fiscal Year 2022 Meeting Schedule, was approved.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Flint: Were there any other business items the Board wanted to discuss that was not on the agenda?

Ms. LaFrance: The street sign at the corner of 79th Terrace Road is very difficult to read. It looks like the paint is peeling, and it either needs to be replaced or repaired and I am not sure which.

Mr. DiPiero: It is sun-bleached so it is hard to read.

Mr. Flint: What intersection is that?

Ms. LaFrance: It is on the corner of 79th Terrace Road.

Mr. Flint: Okay, we will get that replaced.

TWELTH ORDER OF BUSINESS

Supervisors Request

Mr. Flint: Anything else? Hearing none,

THIRTEENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned.

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman