

**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, 2023** at 9:00 a.m. at Circle Square Commons, 8395 SW 80th Street, Ocala, FL.

Present and constituting a quorum:

John Gysen	Chairman
Cynthia LaFrance	Vice Chairperson
Terry Solan	Assistant Secretary
Harold Brouillard	Assistant Secretary
Bob Hutson	Assistant Secretary

Also present were:

George Flint	District Manager
Guy Woolbright	OTOW
Andy Jorgensen	OTOW
Bo Stepp	Colen Built
Kristin Finger	Colen Built

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Next is the public comment period. 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 they would like to bring to the Board's attention. I just see Candler Board members and staff here, so we will go ahead and move on.

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: The meeting notice was published in the Ocala Star Banner, and you see the affidavit of publication in your agenda, indicating the meeting advertised for today, May 16th, 2023.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the February 21, 2023 Meeting

Mr. Flint: The next item is approval of the February 21st, 2023 meeting minutes. Did the Board have any comments or corrections to those?

Mr. Gysen: The only comment I have is on Page 4, where it says “Mr. Gysen”, but I believe it was Mr. Hutson that said that.

Mr. Flint: Okay, any other comments or corrections? If not, is there a motion to approve the minutes as amended?

On MOTION by Ms. LaFrance, seconded by Mr. Brouillard, with all in favor, the Minutes of the February 21 st , 2023 Meeting, were approved as amended.
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FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2023-05
Approving the Proposed Fiscal Year 2024
Budget and Setting a Public Hearing**

Mr. Flint: Each year, the Board is required to approve a proposed budget by June 15th and set the public hearing for its final adoption. We are recommending that you set the hearing for your August 15th, 2023 meeting at 9:00 a.m. at this location. Exhibit A attached to the resolution is the proposed budget. This is not binding on the Board, but if there is contemplated to be any increases in the per unit assessment, we would want to identify that today. Then at the public hearing, you could go down but couldn't go higher than what we have included in the proposed budget. Otherwise, the individual line items can be adjusted. The assessments could be lowered back down from whatever they are in the proposed budget and other changes can be made as needed. As far as the proposed budget, it's attached as Exhibit A. We have a couple of changes, and one is that where it says “Revenue”, it should be “intergovernmental” contributions, not “intra”, so that change will be made for the record. We are showing a transfer-out of \$25,000 to the Capital

Reserve, and we need to reflect that as being transferred in the Capital Reserve fund on page 10. I'd like to have those changes reflected. As far as the budget goes on the "administrative expenses", we are showing increases in the management-related fees. Everyone knows that inflation is driving labor and material costs higher, so we are seeking increases in the associated line items for management. When we originally hired, it was a package deal with Bay Laurel, Indigo, and Candler, so we discounted these fees, and they are still significantly lower than our other Districts. You're not approving that today, but that is in here. We've allowed for an increase in liability insurance policy, and again, we won't know what that will be until closer to the start of next fiscal year. On our Operating & Maintenance side, there is a small increase in the right-of-way maintenance, and that is primarily related to a 2.5% increase in pine straw going into the next fiscal year. The insurance, I believe, we've allowed for a 15% increase, and that is anticipated to go up fairly significantly. That is only a \$260 increase in the actual line item. We've included a contingency of \$10,000 and a transfer-out to Capital Reserve of \$25,000. For the last several years, we've been using fund balance cash to balance the budget. If you look at the current year, the budget was adopted using \$33,470 of carry-forward surplus to balance, and you see that in the first column on the first page up in "Revenue." We can't really use cash anymore to balance, we're showing an ending fund balance of \$83,758. Our estimated operating reserve is about \$77,000. We can't use cash going forward because we are pretty close to hitting what our operating reserve requirement is. So, this budgeting includes the proposed increase from \$447 per unit to \$587 per unit. That's a combination of incremental adjustments to your landscape costs and other operating costs, including a small contingency, a transfer out to capital reserve, and eliminating cash to balance the fund. Are there any questions on the proposed budget? Again, you are not approving the budget today, you're just approving the proposed budget. At the August meeting, you would hold the public hearing for final approval. If you do approve this proposed budget, there would be a mailed notice that would have to go out 30 days before the public hearing to all of the homeowners within Indigo, letting them know the date place and time of the hearing and the proposed increase. Any questions?

Ms. LaFrance: So, the increase is \$140. There's no other way that we can get around that, correct?

Mr. Flint: The landscaping is one of your biggest costs, and we bid that out every couple of years. We are going into the second year of the contract, and we bid it out last year. Your capital

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reserve, we haven't been transferring money into that for the last several years. We need to start doing that again because we are going to actually be doing some repaving. You don't have the cash to be able to balance with the cash reserves any longer. We still have enough for an operating reserve, but you really don't want to go below that. I don't know that there's a lot of options, you could eliminate the transfer to capital reserve, we could get rid of the contingency. It's a pretty tight budget. Any other comments, questions, or discussion?

On MOTION by Mr. Gysen, seconded by Mr. Hutson, with all in favor, Resolution 2023-05 Approving the Proposed Fiscal Year 2024 Budget and Setting a Public Hearing, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2023-06 Establishing Bank Account Signatories

Mr. Flint: We went back and reviewed the records, and we are just matching up our bank account signers to authorization from the Board. This resolution authorizes the Treasurer, Assistant Treasurers, and the Secretary as signers on your operating account. Right now the Treasurer and Secretary—I'm the Secretary—and then the Treasurer for the District are the signers. We are just documenting that in this resolution, it's not really impacting anything other than just documenting what we are already doing. Rather than putting specific names in here, it's easier to put the position because every time you make a change in your officers, we would have to change the resolution if we had specific names. Any questions or comments? Is there a motion then to approve?

On MOTION by Mr. Hutson, seconded by Ms. LaFrance, with all in favor, Resolution 2023-06 Establishing Bank Account Signatories, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Proposal from D&D Asphalt Paving and Repair

Mr. Flint: This is for milling and repaving. This proposal is dated with an expiration date of March 21st; however the contractor has been contacted and they have agreed to extend their price. There are 3 sections of roadway that are identified here. My understanding is that Andy Jorgenson is here with Colen Built. He facilitated getting this proposal. This contractor is the contractor that OTOW uses for all their repaving and a lot of their new construction. They've been out in the past and believe that D&D is going to be the most competitive as far as pricing goes.

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The first 2 sections of roadway are the oldest sections within Indigo. The 3rd section, I understand, there is a hydraulic stain on the road, but otherwise the road is in good condition. He would actually recommend that the milling and repaving of Southwest 77th be deferred at this time because it's really just an aesthetic issue. The only thing that's not included in here are the risers for the manholes, and there's an estimate of \$3,500 for that cost. Andy is here if there's any questions on the proposal or any discussion from the Board. Our recommendation would be to just do the first 2 and then add \$3,500 for the risers. That makes it \$106,267. Any questions or comments? Is there a motion then to approve?

On MOTION by Mr. Solan, seconded by Mr. Gysen, with all in favor, the Proposal from D&D Asphalt Paving and Repair, was approved.

Mr. Flint: We will get an agreement drafted for that work. We also want to thank Andy and the others from Colen Built in facilitating getting those proposals.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no comments, the next item followed.

B. District Manager

1. Approval of Check Register

Mr. Flint: You have the approval of the check register from January 1st through March 31st, 2023 for the General Fund and the Board Pay for \$79,798.42. Any questions on the check register?

Ms. LaFrance: Yes, on page 2, the very last entry where it says, "Candler Hills East CDD". The check is written for \$2,000; I think that's a typo isn't it?

Mr. Flint: Yes, that should be "Indigo". The fees are the same though. The check is going to the trustee at US Bank, but it would be the same dollar amount for Candler and Indigo for the trustee fees. Actually, I will have to check on that. It may be that Candler paid and we are reimbursing them for 50% of the cost. I think that is actually the case. Either way, I will change the name or leave it.

Ms. LaFrance: Thank you.

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

2. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through March 31st, and then you have the combined balance sheet reflecting each of the funds. Then you have the statement of Revenue and Expenditures for each fund. At this point at the end of March, we collected \$233,000 of the \$254,000 certified for collections on the tax roll. We are at about 92% collected. The balance of that may have come in since March 31st. If not, it will come in from the tax certificate sales. Your administrative costs are slightly over the prorated budget, and that is primarily attorney's fees. Some of those were reimbursed, and they were related to the financing for Bay Laurel from the additional meeting costs. You can see Bay Laurel contributions, this shows \$1,500, but after this there was another transfer-in of some additional funds. Any questions on the financial statements?

3. Presentation of Number of Registered Voters: 948

Mr. Flint: Each year as of April 15th, we are required to announce the number of registered voters within the District, and as you can see there are 948. That really does come into play for us anymore since the Board is fully transitioned to resident control, but we are still required to announce each year.

NINTH ORDER OF BUSINESS

Other Business

Mr. Flint: That is all of the business that we had on the agenda. Were there any other items that the Board wanted to discuss that were not on the agenda? Hearing none,

TENTH ORDER OF BUSINESS

Supervisors Request

Mr. Flint: Are there any Supervisor requests? Hearing no comments, we will move on to the next item.

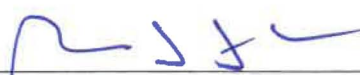
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ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, the meeting was adjourned at 9:19 a.m.


Secretary / Assistant Secretary


Chairman / Vice Chairman