

**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 15, 2023** at 11:00 a.m. at Circle Square Commons, 8395 SW 80<sup>th</sup> Street, Ocala, FL.

Present and constituting a quorum:

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

Also present were:

George Flint	District Manager
Rachel Wagoner	District Counsel
Robert Stepp	Colen Built
Andy Jorgensen	OTOW

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Next is the public comment period. This will be on anything. We have a budget hearing. There was a mailed notice sent out in regard to the budget. If you have questions on the budget or assessments, we will have a public hearing where you can provide your comment at that point. This public comment period at the beginning of the meeting is a general public comment period so that you can bring anything up for the Board. I will do a brief introduction for the residents that are here. This is the Indigo East Community Development District and it is presented by five residents that are up here at the table. Mr. Gysen is the Chairman. We also have Mr. Hutson, Ms. LaFrance and Mr. Solan here. Mr. Brouillard is absent. The CDD is a special District and is

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actually a government entity and it was created when Indigo East was originally developed by Marion County so it overlays the Indigo East Development. The five Board members here are actually public officials. They are elected through the Supervisor of Elections every two years and even numbered years; you will see the seats are staggered. These folks are elected through the Supervisor of Elections for the county representing a government entity that overlays Indigo. The government entity is a limited purpose District. It has limited powers and primarily those powers are to own, construct, and finance public infrastructure. In the case of Indigo East, the Indigo East CDD owns the roadways within your development. They own the stormwater system and the DRA's which are the dry retention areas that capture the stormwater from the roads and the homes. Some of the homes within the CDD also pay a debt service assessment and others either the developer paid that off or the homeowner has the option of paying that off. There are two components of the assessment from the CDD. One is the debt service piece which you may or may not have. I know the developer paid the debt off on many of the lots and then some of the homeowners might have chosen to pay it off as well. Then there is an operations and maintenance component to that assessment. I wanted to give you a general overview.

**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, August 15<sup>th</sup>, 2023.

**FOURTH ORDER OF BUSINESS**

**Approval of Minutes of the May 16, 2023 Meeting**

Mr. Flint: The next item is approval of the May 16, 2023 meeting minutes. Did the Board have any comments or corrections to those? If not, is there a motion to approve the minutes?

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor, the Minutes of the May 16, 2023 Meeting, were approved as amended.

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**FIFTH ORDER OF BUSINESS**

**Public Hearing**

**A. Consideration of Resolution 2023-07 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations**

Mr. Flint: Fiscal Year 2024 starts on October 21<sup>st</sup> of this year and runs through September 30<sup>th</sup> of next year. The Board previously approved a proposed budget at the May meeting and set today as the public hearing for its final consideration. The proposed budget that the Board approved in May included a proposed increase in the annual O&M assessment so that is why many of you that are here may have received a letter advising you of the proposed increase and the public hearing today to provide input to the Board. There were copies of the proposed budget in the lobby, it is on the website, and also available from our office of anyone who wanted to review it or had questions. If the Board notices in the current year we were using carry forward to balance the budget. We budgeted about \$33,000 in carry forward cash to supplement the Districts annual maintenance assessments in order to balance the annual budget for the current year. Going into next year, it was recommended you consider the increase in the per unit amount in order to avoid using carry forward. We were getting to a point where our cash was getting close to what our annual operating reserves should be which we typically want to keep three months of cash equivalent for an operating reserve. We were getting to the point where we couldn't use carry forward anymore to balance so that is why you are considering the increase. The administrative costs are going up slightly. Insurance is going down a little bit. The management fee is going up slightly. The annual audit is up slightly. Engineering we have increased, again there is a requirement under the Trust Indenture for your engineer to inspect your infrastructure annually so that has gone up. On the operations and maintenance side, the electrical expense is going up and your retention pond and right of way maintenance which is your landscape maintenance contract has gone up slightly. Pressure washing we are matching up to what our actual experience has been in pressure washing the entire community. We have provided a contingency and then a transfer out to your capital reserve. That transfer out to your capital reserve is what is funding the paving of the District's roadways.

Mr. Flint: At this time if there are any members of the public wanting to provide comment to the Board or you have questions, we would ask that you step up to the microphone, state your name and address and try to limit your comments to three minutes.

Resident (Jo Mancette, 8100 SW Terrace Rd): I just did not know about CDD. I thought the association fee was covering everything, not that that can't go up. I don't even know what the

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CDD is. I really don't so I would like you to explain the difference between the Association Fee and the CDD to me.

Mr. Flint: The difference between an HOA and a CDD, they really are totally separate and have different responsibilities in Indigo East. Those differences vary from community to community depending on how the CDD is set up, what it owns and what it maintains. For example, in Candler Hills East, those roads are private, the community is also gated but those are hard gates which is all owned by the HOA. At Indigo, the roads are owned by the CDD and were financed by the CDD. It is different from Candler to Indigo. In Indigo, the primary responsibility of the CDD is to own and maintain the roads and the stormwater system and included with the stormwater system is some of the common area, dry retention areas, landscape areas, and roadway tracts. Two totally separate things. I don't want to comment on what the HOA is responsible for because I don't manage it but the HOA is responsible for the amenities and architectural review. The CDD is a government entity so the fee is collected on your annual property tax bill. The fees we are talking about have been in place since 2006 and have been collected on your annual tax bill since 2006 assuming your home was built. This is totally separate from your HOAs.

Resident (Frank Secca, 7887 SW 80<sup>th</sup> St. Place Rd): I did notice the paving that is taking place, is this going to be a continuing thing or just a one shot deal?

Mr. Flint: It is done based on the condition and age of the pavement. The area that was just repaved, those are the first roads that were constructed. We have someone that goes out and assesses the condition and based on the condition and age, we will be phasing repaving. It will probably skip a year and then do it again in two years.

Resident (Phil Andriano, 7940 SW 89<sup>th</sup> Loop): I was a little confused when I got this notice in the mail. As a point of clarification if you would please, it shows two numbers that I am confused with. One is the \$587.18 per unit and then change in actual is \$140.18. Is that really the increase? Is that rolled into your taxes or is this paid separately?

Mr. Flint: Correct. The per unit assessment for the current year was \$447 and the proposed increase brought that up to \$587. That is a one-time annual fee that is on your tax bill. The primary reason for that is the District has been balancing the budget with cash. The annual assessments have not covered the annual expenses but there was cash that was built up over time that the Board used to be able to balance the budget for a period of time. As everyone knows, landscape maintenance costs are increasing, cost of mulch, cost of electricity all of those things are going up

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and it impacts the CDD as well. The Board went as long as they could balancing it with cash before they proposed this increase. Because of the road repaving as well, this allows us to transfer funds into that capital reserve again because we haven't been able to do that for a few years. You will see an increase of \$144.

Resident (Tony Stephenson, 8105 SW 81<sup>st</sup> Loop): In the CDD it is my understanding that the trees behind houses are owned by the CDD, so if one falls down like it did this past year, who is responsible if it falls on a house?

Mr. Flint: In Florida, if your neighbor has a tree and that tree falls on your house, your homeowner's insurance policy has to cover the cost of the repair. The only exception to that would be if your neighbor knew that the tree was diseased or some reason there was some negligence. If there is a tree on our property that falls on your property to the extent we were not aware it was dead or leaning, your homeowner's insurance policy would have to cover the cost of the repair. If there is a tree in the common area that we own behind your home and you are concerned about it, we will definitely come out and look at it. If we think there is a danger, we can consider doing something about it. If we evaluate it and don't determine there is a problem with the health of the tree, we typically are not going to do anything with that tree.

Resident (Unidentified): When we get our tax bill, that will be included in it or will it be a separate?

Mr. Flint stated it will be included in your tax bill. It's not something new. The only thing new is the difference between the \$447 and the \$587.

Resident (Unidentified): When you collect all of this money, does it go somewhere so it can earn money?

Mr. Flint: Yes, there are two components of the assessments, the debt service part is transferred to the Trustee. There is a Trustee that is established when the bonds were issued that is basically the gatekeeper for those funds and they repay the debt to the bond holders. That money is a money market account. The funds in Indigo, there is a State Board of Administration which is a state investment pool that the funds are invested in.

Resident (Unidentified): Is it possible that our proposed budget in 2024 is going to drop from \$51,000 to \$49,000.

Mr. Flint: You are looking at the current year projected expenses versus the next year budgeted. We are anticipating that it will drop. We had some legal expenses this year that were

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projected. We have six months of actuals for the current year and we estimate for the last three. Based on the projections, we think we are going to slightly be over, we may or may not depending on the invoices coming in. The CDD was created in 2006 and it has been in place since before the first home was constructed. There are statutory requirements as far as disclosure goes with community development Districts. The process of purchasing the home, there are disclosures that are required to be in there. There is a notice of establishment that is recorded when the District is created. There is a disclosure of public financing recorded when the bonds were issued. There are a number of disclosures during title work. There is some required language that has to be included in your sales contract inconspicuous bold type next to your signature line. The state legislature took a number of steps to make sure that anyone who lives within a CDD should be aware that they live there. The capital reserve budget, which is the last page, you will see we are anticipating the resurfacing cost this year \$132,823 based on the contract that we have with the paving contractor. After that expense, we are going to be carrying forward about \$339,000 into next year and will be adding another \$25,000 to that if this budget is adopted next year. Next year, we will have \$363,000 in that capital reserve fund. The other major infrastructure cost the CDD has is the irrigation pumps for the common area irrigation. We have two pump stations that irrigate the common area and also need to anticipate replacement of those. We will close the public comment period at this time. We have Resolution 2023-07, are there any comments or questions on the resolution or the exhibit?

<p>On MOTION by Mr. Solan, seconded by Mr. Gysen, with all in favor, Resolution 2023-07 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations, was approved.</p>
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**B. Consideration of Resolution 2023-08 Imposing Special Assessments and Certifying an Assessment Roll**

Mr. Flint: This resolution imposes the assessments that you just approved in your budget option so the budget just approved is attached as exhibit 'A' and then the assessment roll is attached as exhibit 'B.' Any questions on the resolution?

<p>On MOTION by Ms. LaFrance seconded by Mr. Hutson, with all in favor, Resolution 2023-08 Imposing Special Assessments and Certifying an Assessment Roll, was approved.</p>
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