

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
JUNE 21, 2017**

A regular meeting of the Lely Community Development District Board of Supervisors was held on Wednesday, June 21, 2017 at 1:30 p.m. at the LCDD Maintenance Building.

SUPERVISORS PRESENT: William Lee, Chairman
Robert Fisher, Vice-Chairman (Via Speakerphone)
Harold Ousley, Treasurer
Kenneth Drum, Secretary
Gerry Campkin, Supervisor (Via Speakerphone)

ALSO PRESENT: W. Neil Dorrill, Dorrill Management Group, Manager
Assistant Secretary/Treasurer
Kevin Carter, Dorrill Management Group
Freddy Bowers, Operations Manager

INVOCATION/PLEDGE OF ALLEGIANCE

The meeting was called to order by the Chairman, and the invocation was offered by Mr. Dorrill, who spoke to the passing of Mr. Bryant, and his excellent work for the Board over the years. A moment of silence was held in his memory.

The Board then recited the Pledge in unison.

No Public Comment was received at this time.

ROLL CALL

Mr. Dorrill indicated two members of the Board, Mr. Fisher and Mr. Campkin, were participating via speakerphone.

APPROVAL OF MAY, 2017 MINUTES

As it relates to the Workshop minutes, on Page 1, the word "vehicle" was misspelled in the second line of the second paragraph.

With that correction the Workshop minutes were unanimously approved on a MOTION by Mr. Drum and a second by Mr. Ousley.

As it relates to the Regular meeting minutes, on Page 2, in the second paragraph, (inaudible

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Correction.)

With that correction, the Regular Meeting minutes were unanimously approved on a MOTION by Mr. Ousley and a second by Mr. Drum.

APPROVAL OF AGENDA

On a MOTION by Mr. Drum and a second by Mr. Ousley, the Agenda was unanimously approved by the Board.

Mr. Ousley asked about the letter sent by FP&L regarding insuring the potable water line from the meter to homes. Mr. Dorrill explained that the electric company was looking for new sources of revenue, and a fee will now be added to the FP&L bill if the District wished them to be responsible to repair or replace the potable water line.

MANAGER'S REPORT

A. May Community Patrol Report

The report for the month of May showed that it was a very busy month, with a total of 40 traffic stops made during the course of the month by the Sheriff's Department, 10 of which were given written citations or notices to appear for a variety of reasons. Additionally, 30 warnings were issued during the course of the month. There were no actual arrests.

The Community Patrol issued 11 trespass notices for fishing in rear yards adjacent to lakes, none of which were to residents. There were two loitering or suspicious activity incidents, one involving the guest of a resident and the other involving some adolescents. Four suspicious incidents were noted for the Board, with one being referred to the Sheriff's Department. There were also the routine community assists and wildlife responses.

Mr. Drum indicated that some residents of Verona Walk were at the last Collier County Residents Council, and they also use the Sheriff's Department deputies to patrol their neighborhood. They indicated as well that the deputies issue warnings first before a citation, and agreed that you can't tell a deputy when to write a ticket. Mr. Drum also asked about the citations that were written, and what they involved, and Mr. Dorrill indicated that he did not check the day logs, but agreed that it was probably a record amount. The citations included items like speeding, running stop signs, and invalid licenses and/or tags.

A resident asked if a report had been filed for the vandalism that took place at the water feature right after the Memorial Day weekend at Celeste Boulevard and Grand Lely, and Mr. Dorrill indicated that they would follow up on this, and make sure a report has been filed. He asked the resident to contact Jim Powers at Dorrill Management to see if he was aware of it,

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and to make sure a report was made.

B. Collier Boulevard Freedom Horses Dedication

A suggestion was made through Commissioner Fiala's office that the Community hold a dedication ceremony of the second Freedom Horse Memorial, perhaps in October when people return to town. Mr. Dorrill suggested that they may want to coordinate with their congressman to also get a memorial flag that has flown over the Capital to go with the new flagpole, and invite him or someone from his staff along with the Commissioner to attend.

(Mr. Lee's comments were inaudible.)

After a brief discussion regarding the type, size and how many flags to purchase, along with Mr. Carter's assertion that the permit for the flag pole should be obtained within 30 days, **a Motion was made by Mr. Ousley and seconded by Mr. Drum to have staff work with the Commissioner and the Congressman's office to see if an October date can be determined to have an official dedication of the Freedom Horses, and a memorial opportunity for Mr. Bryant, and was unanimously approved by the Board.**

C. David Bryant/RFP

For the record today, Mr. Dorrill explained the sudden loss two weeks previously of their counsel and friend David Bryant. Mr. Bryant had practices in both Hillsborough and Collier Counties, and died while he was in Tampa at his home. A portion of his practice was devoted to representing clients before the Florida Contractors Licensing Board, and Mr. Bryant himself held a statewide general contractor's license. Mr. Bryant had many friends across the state and will be sorely missed.

Mr. Dorrill was present with a representative of the local Bar Association and the family when they opened Mr. Bryant's local office, and he helped identify files that preliminarily would be considered public record. These files will be conveyed to the District Manager.

In addition, while there are no pending legal matters for the District, Mr. Dorrill suggested that the Board direct him to work with the chairman to prequalify individuals or firms who have the appropriate real estate and local government, and specifically CDD knowledge and experience. At that point the Board could interview an appropriate number of individuals at a subsequent meeting, as it is important for the Board to designate someone as District counsel.

In the event something should arise before new counsel is appointed, Mr. Dorrill has reached out to two firms who could possibly help on an emergency basis, although it is unlikely that something of this nature would occur.

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Mr. Drum spoke briefly about Mr. Bryant's qualities; specifically that he had no fears when it came to defending and fighting for his clients. Apparently Commissioner Fiala felt the same way, and indicated recently to Mr. Drum that Mr. Bryant was the best attorney in Collier County. Mr. Drum asked that the Board look for this quality when they hire an attorney to represent the interests of Lely. Mr. Ousley added that any attorney that they contemplate hiring should be asked if there would be some conflict of interest in their representation as they may be counsel for a developer.

Mr. Dorrill noted that as he and the Chairman made this search for a replacement that they would keep these qualities in mind, and added that the majority of law firms in Florida that have CDD experience do work for developers, because it is the developer who creates the district. He did agree and felt that the Chairman would agree as well that an attorney with no conflict from a legal or appearance perspective would be required.

A MOTION was then made by Mr. Ousley and seconded by Mr. Drum to have Mr. Dorrill and the Chairman bring back a suggested short list of candidates to be interviewed at the October or November meeting, depending on Mr. Fisher's availability, so a final decision can be made at the beginning of the new fiscal year.

Mr. Drum added that there were a few HOAs that also used Mr. Bryant as their counsel, and they would like to piggyback on the replacement selection for CDD Counsel that the Board would make. There were also a few legal situations within certain HOAs that would need more immediate help, and these could be addressed by some short term arrangement with another firm.

The Motion was then unanimously approved by the Board.

D. Discussion concerning CSA budget options

The meeting with Stock Development regarding the early takeover of landscaping responsibilities for Grand Lely Extension and Lely Cultural Boulevard with an ongoing billing agreement for the work was scheduled for the following Monday at 1:30 p.m. The Board will be kept advised, and Mr. Dorrill added that Stock's representatives seem to be receptive to the idea, and Mr. Dorrill also expected that discussion about some of the lake bank erosion issues affecting the Master HOA, most especially at Tiger Island Estates.

Mr. Ousley asked if the atmosphere between the District and the Master HOA had changed at all since the settlement, and Mr. Dorrill indicated that their annual meeting did not go very well this year, because of concerns related to involvement and accountability for which large management fees are being charged to reimburse Stock Property Management. Mr. Dorrill

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and Mr. Carter were recently at a kick-off meeting and Stock advised them that they were in the beginning of the turnover process and are trying to identify housekeeping items, in particular the lakes and conservation areas. Unfortunately that will also include the former Lely Development Corporation which held the big conservation area west and behind Ole. This huge area was never conveyed to Stock at the time he acquired the other assets, and Mr. Boff, the former or successor to the Lely Development Corporation, owns a piece of preserve wetland that is full of exotics. The Water Management District in West Palm Beach is very concerned about these compliance issues.

Mr. Dorrill noted that all of this is being said just to provide the Board with information and to indicate that Stock is preparing actively a to do list and has an engineer involved in some of these issues. When they intend to turn it over, Mr. Dorrill does not know, but he indicated that there has been quite a bit of activity over the past three months or so.

In response to Mr. Ousley's question, the new Horse Monument has been accepted by the CDD and there is a recorded bill of sale that was prepared by Mr. Bryant approximately a month ago. While the dirt underneath the monument is owned by Stock, the CDD has rights by virtue of its bill of sale and the original right-of-way permit that was issued, Mr. Dorrill was not sure if the monument on 41 is owned by Stock Development or if it is part of the roadway.

(Mr. Lee's comments inaudible.)

In response to Mr. Lee's question, Mr. Dorrill reiterated that the meeting on Monday was to address the issues of early takeover of the landscaping work and the ability to collect the CSA portion of the contribution for CDD residents through their Master HOA assessment. If for some reason they would refuse to do that, then the residents of the CDD would need to be taxed in order to pay for that portion.

Mr. Dorrill added that there have been some discussions to include the conservations areas as long as the District is reimbursed for those costs. The remaining responsibility of the Master would be the enforcement of the deed restrictions in the Declaration.

(Mr. Lee's comments inaudible.)

FINANCIALS

The seven month financials ending on April 30 were provided to the Board, and Mr. Dorrill noted that the District remains in a favorable overall financial position with almost \$2,410,000 in cash, more than half of which is in the capital reserve fund, against \$210,000 in payables. The income statement for the end of April showed \$127,000 in assessments from the tax collector just prior to them being sold at auction. As they were delinquent at this point, they

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also included penalties and fees. Only a handful of properties that had unpaid taxes went to the auction in May. Any proceeds from the auction would be received at the end of May or the beginning of June, so a little more money will be shown on the next financial statement.

Year- to- date revenues are at almost 96 percent, at \$1,926,000. Two quarters of CSA revenue were shown under miscellaneous income. \$441,000 worth of CSA fees were received as a result of the settlement, and one additional CSA receipt will be seen in the month of July at \$225,000. On the expense side, the engineering fees were over budget due to the lake bank erosion project, and chasing right-of-way and other kinds of permits.

Field Management is \$80,000 under budget, Landscaping is \$30,000 under budget, Water Management was under budget and Street Lighting was slightly over budget, and total year-to-date expenses were \$143,000 under budget. Mr. Dorrill added that Mr. Carter has brought a whole new administrative component to this work, and to have that extra money in the bank earning interest is a testament to excellent work by staff.

On a MOTION by Mr. Ousley and a second by Mr. Drum, the April Financials were unanimously accepted by the Board.

SUPERVISORS REQUESTS

A. General Financial Position of Lely CDD

Mr. Drum asked how Mr. Dorrill would describe the balance sheet and relative financial position of the CDD, whether it was static, improving or declining. He wondered if there would be any tax increases contemplated in the future. Mr. Dorrill reminded the Board of what the auditor had indicated, that for the last three years in a row they have been in a very favorable financial position, especially with respect to cash. He added that most of that can be attributed to growth in the CSA and the success and absorption of the north end of the community. Lely is a very popular place to live and invest, and incredible growth in non tax revenues that helps support the maintenance and operation has been shown.

As Stock is nearing the end of the development phase of Lely, and in recognition that there has not been a tax increase in years, it is interesting to look at Pelican Marsh, which is a District of almost identical size with an assessment of almost twice that of Lely. There are many similarities between the two Districts, as they own and operate a maintenance facility almost identical to that at Lely. The only thing they have that Lely does not is the presence of gate guards in their access control program. Lely, however, is still less expensive for residents than any other CDD that has as much maintenance responsibilities.

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Mr. Dorrill also pointed out that Pelican Marsh does not own and operate its own irrigation system, while Lely operates a very large utility that delivers water to 3,000 plus homes and all the commercial properties. From this overall perspective, Mr. Dorrill felt that some future increases in taxes will need to be contemplated, primarily for the capital reserve fund, which this year stands at approximately \$1,250,000 and will probably finish the year at \$1,400,000 in that fund.

Mr. Drum pointed out that at some point soon the CSA will become static, and suggested that it may be important to look at the next five years, as there may be a need to increase the capital reserve. In response to a question regarding the street lights, Mr. Dorrill indicated that they are responsible for them, but not those gated communities that are in the CSA, only those main boulevards.

In response to Mr. Lee's question, Mr. Dorrill indicated that the first distribution from the tax collector is generally received in the week before Thanksgiving, so they must have enough cash on hand to be able to meet their normal payroll and operating expenses which are roughly \$200,000 a month. There will be a sufficient year ending balance or beginning year fund balance to be able to meet operating needs for the first six weeks of the new fiscal year. For years Lely carried a line of credit at the bank as they did not carry the kind of cash that they carry now, making that no longer necessary.

Lely is saving approximately \$7,000 a year in fees since they dropped the line of credit two years ago, and additionally when they switched banks last year, they have realized some extra income as well. Year-to-date the CDD has earned \$8,171 in interest at the new bank.

B. Next Meeting Information/Adjournment

Mr. Dorrill indicated that the next meeting would be held on the 19th of July, and he advised Mr. Fisher and Mr. Campkin that they will be having some cake and remembrances of Mr. Bryant after today's meeting. Mr. Campkin will be present at the July meeting, and Mr. Fisher will return in September.

With no public comment received, **the meeting was adjourned at 2:24 p.m. on a MOTION by Mr. Drum and a second by Mr. Ousley.**